



AMERICAN COLLEGE  
*of* NURSE-MIDWIVES

**With women, for a lifetime<sup>®</sup>**

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

**Consolidated Financial Statements**

*For the Years Ended December 31, 2021 and 2020*



**and  
Report Thereon**



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

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**For the Years Ended December 31, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of the American College of Nurse-Midwives and Affiliate (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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.

*Marcum LLP*

Washington, DC  
September 21, 2022

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2021 and 2020

|                                     | <u>2021</u>                 | <u>2020</u>                 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                       |                             |                             |
| Cash and cash equivalents           | \$ 1,150,311                | \$ 651,710                  |
| Grants and contributions receivable | 339,696                     | 78,813                      |
| Accounts receivable, net            | 164,675                     | 60,358                      |
| Prepaid expenses                    | 157,287                     | 116,070                     |
| Investments                         | 1,982,018                   | 1,771,509                   |
| Inventory                           | 455                         | 455                         |
| Property and equipment, net         | 587,312                     | 675,861                     |
| Intangible assets, net              | 7,813                       | 19,175                      |
| Other assets                        | 31,232                      | 31,232                      |
|                                     | <u>                    </u> | <u>                    </u> |
| TOTAL ASSETS                        | <u>\$ 4,420,799</u>         | <u>\$ 3,405,183</u>         |
| <b>LIABILITIES AND NET ASSETS</b>   |                             |                             |
| <b>Liabilities</b>                  |                             |                             |
| Accounts payable                    | \$ 418,246                  | \$ 378,230                  |
| Accrued salaries and benefits       | 104,907                     | 102,024                     |
| Due to state affiliates             | 21,489                      | 17,400                      |
| Deferred membership dues            | 1,011,824                   | 1,041,537                   |
| Other deferred revenue              | 18,500                      | 162,869                     |
| Line of credit                      | 648,653                     | 633,919                     |
| Deferred rent and lease incentives  | 334,769                     | 344,358                     |
|                                     | <u>                    </u> | <u>                    </u> |
| TOTAL LIABILITIES                   | <u>2,558,388</u>            | <u>2,680,337</u>            |
| <b>Net Assets</b>                   |                             |                             |
| Without donor restrictions          | 881,842                     | 719,276                     |
| With donor restrictions             | 980,569                     | 5,570                       |
|                                     | <u>                    </u> | <u>                    </u> |
| TOTAL NET ASSETS                    | <u>1,862,411</u>            | <u>724,846</u>              |
|                                     | <u>                    </u> | <u>                    </u> |
| TOTAL LIABILITIES AND NET ASSETS    | <u>\$ 4,420,799</u>         | <u>\$ 3,405,183</u>         |

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, 2021 and 2020**

|                                              | 2021                       |                         |                     | 2020                       |                         |                   |
|----------------------------------------------|----------------------------|-------------------------|---------------------|----------------------------|-------------------------|-------------------|
|                                              | Without Donor Restrictions | With Donor Restrictions | Total               | Without Donor Restrictions | With Donor Restrictions | Total             |
| <b>REVENUE AND SUPPORT</b>                   |                            |                         |                     |                            |                         |                   |
| Membership dues                              | \$ 1,559,827               | \$ -                    | \$ 1,559,827        | \$ 1,676,936               | \$ -                    | \$ 1,676,936      |
| Meetings and exhibits                        | 728,372                    | -                       | 728,372             | 671,601                    | -                       | 671,601           |
| Contributions and sponsorships               | 211,466                    | -                       | 211,466             | 144,023                    | -                       | 144,023           |
| Global Outreach grants and contributions     | 431,154                    | 1,173,064               | 1,604,218           | 647,010                    | -                       | 597,010           |
| Government grant – PPP                       | 359,040                    | -                       | 359,040             | 325,686                    | -                       | 325,686           |
| Advertising and royalties                    | 446,650                    | -                       | 446,650             | 372,121                    | -                       | 372,121           |
| Accreditation, divisions and committees fees | 414,354                    | -                       | 414,354             | 333,599                    | -                       | 333,599           |
| Other                                        | 47,778                     | -                       | 47,778              | 53,197                     | -                       | 103,197           |
| Publications and merchandise sales           | 71,533                     | -                       | 71,533              | 71,349                     | -                       | 71,349            |
| Subscriptions                                | 60,332                     | -                       | 60,332              | 53,760                     | -                       | 53,760            |
| In-kind contribution                         | 18,075                     | -                       | 18,075              | 14,674                     | -                       | 14,674            |
| Net assets released from restrictions:       |                            |                         |                     |                            |                         |                   |
| Satisfaction of program restrictions         | 198,065                    | (198,065)               | -                   | -                          | -                       | -                 |
| <b>TOTAL REVENUE AND SUPPORT</b>             | <b>4,546,646</b>           | <b>974,999</b>          | <b>5,521,645</b>    | <b>4,363,956</b>           | <b>-</b>                | <b>4,363,956</b>  |
| <b>EXPENSES</b>                              |                            |                         |                     |                            |                         |                   |
| Program Services:                            |                            |                         |                     |                            |                         |                   |
| Domestic                                     | 306,388                    | -                       | 306,388             | 628,392                    | -                       | 628,392           |
| Meetings and exhibits                        | 673,971                    | -                       | 673,971             | 504,977                    | -                       | 504,977           |
| Member services                              | 448,665                    | -                       | 448,665             | 380,779                    | -                       | 380,779           |
| Global Outreach                              | 257,564                    | -                       | 257,564             | 257,391                    | -                       | 257,391           |
| Midwifery practice and education             | 389,910                    | -                       | 389,910             | -                          | -                       | -                 |
| Accreditation                                | 205,505                    | -                       | 205,505             | 252,835                    | -                       | 252,835           |
| Midwifery journal                            | 200,345                    | -                       | 200,345             | 173,044                    | -                       | 173,044           |
| Committees and divisions                     | 73,395                     | -                       | 73,395              | 66,606                     | -                       | 66,606            |
| <b>Total Program Services</b>                | <b>2,555,743</b>           | <b>-</b>                | <b>2,555,743</b>    | <b>2,264,024</b>           | <b>-</b>                | <b>2,264,024</b>  |
| Support Services:                            |                            |                         |                     |                            |                         |                   |
| Management and general                       | 2,051,576                  | -                       | 2,051,576           | 2,008,381                  | -                       | 2,008,381         |
| <b>Total Support Services</b>                | <b>2,051,576</b>           | <b>-</b>                | <b>2,051,576</b>    | <b>2,008,381</b>           | <b>-</b>                | <b>2,008,381</b>  |
| <b>TOTAL EXPENSES</b>                        | <b>4,607,319</b>           | <b>-</b>                | <b>4,607,319</b>    | <b>4,272,405</b>           | <b>-</b>                | <b>4,272,405</b>  |
| Change in net assets from operations         | (60,673)                   | 974,999                 | 914,326             | 91,551                     | -                       | 91,551            |
| Nonoperating Activities:                     |                            |                         |                     |                            |                         |                   |
| Investment income, net                       | 223,239                    | -                       | 223,239             | 143,936                    | -                       | 143,936           |
| <b>CHANGE IN NET ASSETS</b>                  | <b>162,566</b>             | <b>974,999</b>          | <b>1,137,565</b>    | <b>235,487</b>             | <b>-</b>                | <b>235,487</b>    |
| <b>NET ASSETS, BEGINNING OF YEAR</b>         | <b>719,276</b>             | <b>5,570</b>            | <b>724,846</b>      | <b>483,789</b>             | <b>5,570</b>            | <b>489,359</b>    |
| <b>NET ASSETS, END OF YEAR</b>               | <b>\$ 881,842</b>          | <b>\$ 980,569</b>       | <b>\$ 1,862,411</b> | <b>\$ 719,276</b>          | <b>\$ 5,570</b>         | <b>\$ 724,846</b> |

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, 2021**

|                                  | Program Services         |                    |                                     |                   |                    |                   |                      | Support Services            |                              |                              | Total               |                              |
|----------------------------------|--------------------------|--------------------|-------------------------------------|-------------------|--------------------|-------------------|----------------------|-----------------------------|------------------------------|------------------------------|---------------------|------------------------------|
|                                  | Meetings<br>and Exhibits | Member<br>Services | Midwifery Practice<br>and Education | Domestic          | Global<br>Outreach | Accreditation     | Midwifery<br>Journal | Committees<br>and Divisions | Total<br>Program<br>Services | Management<br>and<br>General |                     | Total<br>Support<br>Services |
| Salaries and employee benefits   | \$ 145,347               | \$ 265,009         | \$ 267,232                          | \$ 145,739        | \$ 114,697         | \$ 191,198        | \$ -                 | \$ -                        | \$ 1,129,222                 | \$ 1,182,763                 | \$ 1,182,763        | \$ 2,311,985                 |
| Consulting and contract services | 335,427                  | 41,172             | 37,918                              | 89,146            | 94,649             | -                 | 194,738              | -                           | 793,050                      | 381,474                      | 381,474             | 1,174,524                    |
| Miscellaneous other expense      | 16,758                   | 60,429             | 30,679                              | 40,711            | 20,508             | 6,764             | 4,500                | 68,515                      | 248,864                      | 222,589                      | 222,589             | 471,453                      |
| Rent and utilities               | 14,381                   | 26,310             | 26,293                              | 14,504            | 11,407             | -                 | -                    | -                           | 92,895                       | 123,886                      | 123,886             | 216,781                      |
| Meetings                         | 122,162                  | 486                | 4,498                               | 4,668             | 211                | -                 | 500                  | 712                         | 133,237                      | 35,758                       | 35,758              | 168,995                      |
| Bank charges                     | 9,724                    | 10,514             | 11,161                              | 5,796             | 4,558              | 72                | -                    | 2,262                       | 44,087                       | 57,645                       | 57,645              | 101,732                      |
| Dues and subscriptions           | 2,648                    | 41,089             | 5,591                               | 3,743             | 1,955              | 4,100             | 305                  | -                           | 59,431                       | 23,178                       | 23,178              | 82,609                       |
| Travel                           | 27,124                   | 3,656              | 5,460                               | 2,015             | 9,579              | 3,128             | -                    | -                           | 50,962                       | 16,288                       | 16,288              | 67,250                       |
| Office supplies                  | 400                      | -                  | 1,078                               | 66                | -                  | 243               | 302                  | 1,906                       | 3,995                        | 7,995                        | 7,995               | 11,990                       |
| <b>TOTAL EXPENSES</b>            | <b>\$ 673,971</b>        | <b>\$ 448,665</b>  | <b>\$ 389,910</b>                   | <b>\$ 306,388</b> | <b>\$ 257,564</b>  | <b>\$ 205,505</b> | <b>\$ 200,345</b>    | <b>\$ 73,395</b>            | <b>\$ 2,555,743</b>          | <b>\$ 2,051,576</b>          | <b>\$ 2,051,576</b> | <b>\$ 4,607,319</b>          |

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, 2020**

|                                                 | Program Services         |                    |                   |                    |                   |                      | Support Services            |                              |                              | Total               |                              |
|-------------------------------------------------|--------------------------|--------------------|-------------------|--------------------|-------------------|----------------------|-----------------------------|------------------------------|------------------------------|---------------------|------------------------------|
|                                                 | Meetings<br>and Exhibits | Member<br>Services | Domestic          | Global<br>Outreach | Accreditation     | Midwifery<br>Journal | Committees<br>and Divisions | Total<br>Program<br>Services | Management<br>and<br>General |                     | Total<br>Support<br>Services |
| Salaries and employee benefits                  | \$ 99,359                | \$ 213,117         | \$ 344,198        | \$ 119,129         | \$ 176,776        | \$ -                 | \$ -                        | \$ 952,579                   | \$ 1,205,349                 | \$ 1,205,349        | \$ 2,157,928                 |
| Consulting and contract services                | 159,647                  | 52,600             | 151,275           | 101,951            | 24,337            | 168,443              | -                           | 658,253                      | 266,403                      | 266,403             | 924,656                      |
| Miscellaneous other expense                     | 26,810                   | 53,952             | 47,800            | 18,070             | 20,062            | 2,777                | 62,731                      | 232,202                      | 291,588                      | 291,588             | 523,790                      |
| Rent and utilities                              | 3,958                    | 8,469              | 13,695            | 4,639              | 7,026             | -                    | -                           | 37,787                       | 60,147                       | 60,147              | 97,934                       |
| Meetings                                        | 195,580                  | 98                 | 42,707            | 929                | 992               | 1,559                | 267                         | 242,132                      | 21,852                       | 21,852              | 263,984                      |
| Bank charges                                    | 6,675                    | 9,762              | 16,385            | 5,347              | 8,229             | -                    | 1,950                       | 48,348                       | 63,578                       | 63,578              | 111,926                      |
| Dues and subscriptions                          | 1,391                    | 39,066             | 6,081             | 1,542              | 11,023            | 215                  | -                           | 59,318                       | 17,899                       | 17,899              | 77,217                       |
| Travel                                          | 11,557                   | 1,598              | 6,251             | 5,784              | 4,334             | -                    | -                           | 29,524                       | 9,240                        | 9,240               | 38,764                       |
| Office supplies                                 | -                        | 2,117              | -                 | -                  | 56                | 50                   | 1,658                       | 3,881                        | 11,072                       | 11,072              | 14,953                       |
| Loss from disposal of<br>property and equipment | -                        | -                  | -                 | -                  | -                 | -                    | -                           | -                            | 61,253                       | 61,253              | 61,253                       |
| <b>TOTAL EXPENSES</b>                           | <b>\$ 504,977</b>        | <b>\$ 380,779</b>  | <b>\$ 628,392</b> | <b>\$ 257,391</b>  | <b>\$ 252,835</b> | <b>\$ 173,044</b>    | <b>\$ 66,606</b>            | <b>\$ 2,264,024</b>          | <b>\$ 2,008,381</b>          | <b>\$ 2,008,381</b> | <b>\$ 4,272,405</b>          |

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, 2021 and 2020

|                                                                                             | <u>2021</u>         | <u>2020</u>       |
|---------------------------------------------------------------------------------------------|---------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                     |                   |
| Change in net assets                                                                        | \$ 1,137,565        | \$ 235,487        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                   |
| Depreciation and amortization                                                               | 108,149             | 63,649            |
| Net realized and unrealized gains                                                           | (184,784)           | (113,284)         |
| Loss from disposal of property and equipment                                                | -                   | 61,253            |
| Changes in assets and liabilities:                                                          |                     |                   |
| Accounts receivable                                                                         | (104,317)           | (18,701)          |
| Grants and contributions receivable                                                         | (260,883)           | 296,646           |
| Prepaid expenses                                                                            | (41,217)            | (22,303)          |
| Inventory                                                                                   | -                   | 9,180             |
| Other assets                                                                                | -                   | (12,006)          |
| Accounts payable                                                                            | 40,016              | (21,942)          |
| Accrued salaries and benefits                                                               | 2,883               | (60,701)          |
| Due to affiliates                                                                           | 4,089               | 17,400            |
| Deferred membership dues                                                                    | (29,713)            | (98,243)          |
| Other deferred revenue                                                                      | (144,369)           | (54,088)          |
| Deferred rent and lease incentives                                                          | (9,589)             | 112,074           |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                            | <u>517,830</u>      | <u>377,021</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                     |                   |
| Proceeds from sale of investments                                                           | 1,121,816           | 171,239           |
| Purchases of investments                                                                    | (1,104,000)         | (192,887)         |
| Purchases of property and equipment                                                         | (8,239)             | (639,172)         |
| <b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>                                  | <u>9,577</u>        | <u>(660,820)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                 |                     |                   |
| Drawdowns from the line of credit                                                           | -                   | 357,772           |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                                            | <u>-</u>            | <u>357,772</u>    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                            | 527,407             | 73,973            |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                                         | <u>737,653</u>      | <u>663,680</u>    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                                               | <u>\$ 1,265,060</u> | <u>\$ 737,653</u> |
| <b>CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION</b>           |                     |                   |
| Cash and cash equivalents                                                                   | \$ 1,150,311        | \$ 651,710        |
| Cash – held in investments                                                                  | 114,749             | 85,943            |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>                                                      | <u>\$ 1,265,060</u> | <u>\$ 737,653</u> |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>                                                   |                     |                   |
| Noncash investing and financing transactions:                                               |                     |                   |
| Leasehold improvements provided by landlord under construction allowance                    | \$ -                | \$ 348,010        |
| Taxes paid                                                                                  | \$ 12,282           | \$ 5,213          |

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, 2021 and 2020

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### 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-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 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 stated at lower of cost or 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, 2021 and 2020

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### 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, 2021 and 2020, 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.

## AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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#### 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**

Membership dues are on an anniversary-date basis and are recognized ratably over the membership period since there are no distinct performance obligations and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Accordingly, dues paid by members in advance of the reporting period to which the dues pertain are reported as deferred membership dues in the accompanying consolidated statements of financial position.

The Organization receives grants and contributions from various entities. These amounts are included in Global Outreach grants and contributions 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. The Organization recognizes all unconditional contributed support in the reporting period in which the commitment is made. Unconditional grants and contributions are considered to be revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor. The Organization reports grants of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets to particular purposes or to future periods. When the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Unconditional grants and contributions that have been promised as of year-end, but have not been received, are shown as grants and contributions receivables in the accompanying consolidated statements of financial position. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value.

# AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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

#### **Revenue Recognition (continued)**

Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not included as revenue and support until such time as the conditions are substantially met. Amounts recognized and released in the same year under conditional grants are included as support in net assets without donor restrictions.

Meetings registration and exhibits revenue and the related costs are recognized at the point in time the meetings takes place. Accordingly, payments received in advance of the meetings are reported as other deferred revenue in the accompanying consolidated statements of financial position. Expenses paid in advance of the meetings are recorded as prepaid expenses in the accompanying consolidated statements of financial position.

Annual meeting sponsorships are considered conditional contributions until the annual meeting takes place and therefore are not recognized until the annual meeting takes place. Accordingly, sponsorships for the annual meeting received in advance are recorded as other deferred revenue in the accompanying consolidated statements of financial position.

Royalty income from publications, advertising revenue and publication revenue are recognized at the point in time the publication is shipped. Amounts received in advance, but not yet earned, are recorded as other deferred revenue in the accompanying consolidated statements of financial position.

Accreditation, divisions and committees' fees are recognized as revenue at the time of the accreditation, which is when the services are provided to divisions and committees.

Merchandise sales are recorded as revenue when the goods are 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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

**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.

2. Grants and Contributions Receivable

Grants and contributions receivable of \$339,696 and \$78,813 as of December 31, 2021 and 2020, respectively, were all due within one year and are deemed fully collectible. Accordingly, no allowance for uncollectible grants and contributions receivable have been provided.

During the year ended December 31, 2021, the Organization was awarded a multiyear conditional grants of which \$142,500 has not been recognized as of December 31, 2021, as the Organization's achievement of certain goals and deliverables (barriers) mutually agreed to between the Organization and the donors had not been met. Payment is expected to be made to the Organization during the year ended December 31, 2022, upon satisfaction of the conditions.

3. Investments

Investments, at fair value, consisted of the following as of December 31, 2021 and 2020:

|                   | <u>2021</u>         | <u>2020</u>         |
|-------------------|---------------------|---------------------|
| Mutual funds:     |                     |                     |
| Equity:           |                     |                     |
| U.S.              | \$ 617,427          | \$ 705,316          |
| International     | 273,399             | 309,165             |
| Fixed income      | 645,334             | 504,274             |
| Market neutral    | 41,442              | 75,331              |
| World allocation  | 289,667             | 91,480              |
| Cash              | <u>114,749</u>      | <u>85,943</u>       |
| Total Investments | <u>\$ 1,982,018</u> | <u>\$ 1,771,509</u> |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2021 and 2020**

4. Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of December 31, 2021 and 2020, aggregated by the fair value hierarchy level within which those measurements were made:

| <u>As of December 31, 2021:</u>                | <u>Fair Value</u>   | <u>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical<br/>Assets/<br/>Liabilities<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
|------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|
| Mutual funds:                                  |                     |                                                                                                            |                                                                      |                                                              |
| Equity:                                        |                     |                                                                                                            |                                                                      |                                                              |
| U.S.                                           | \$ 617,427          | \$ 617,427                                                                                                 | \$ -                                                                 | \$ -                                                         |
| International                                  | 273,299             | 273,399                                                                                                    | -                                                                    | -                                                            |
| Fixed income                                   | 645,334             | 645,334                                                                                                    | -                                                                    | -                                                            |
| Market neutral                                 | 41,442              | 41,442                                                                                                     | -                                                                    | -                                                            |
| World allocation                               | <u>289,667</u>      | <u>289,667</u>                                                                                             | <u>-</u>                                                             | <u>-</u>                                                     |
| Total Investments<br>Measured at<br>Fair Value | 1,867,269           | <u>\$ 1,867,269</u>                                                                                        | <u>\$ -</u>                                                          | <u>\$ -</u>                                                  |
| Cash                                           | <u>114,749</u>      |                                                                                                            |                                                                      |                                                              |
| Total<br>Investments                           | <u>\$ 1,982,018</u> |                                                                                                            |                                                                      |                                                              |
|                                                |                     |                                                                                                            |                                                                      |                                                              |
| <u>As of December 31, 2020:</u>                | <u>Fair Value</u>   | <u>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical<br/>Assets/<br/>Liabilities<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
| Mutual funds:                                  |                     |                                                                                                            |                                                                      |                                                              |
| Equity:                                        |                     |                                                                                                            |                                                                      |                                                              |
| U.S.                                           | \$ 705,316          | \$ 705,316                                                                                                 | \$ -                                                                 | \$ -                                                         |
| International                                  | 309,165             | 309,165                                                                                                    | -                                                                    | -                                                            |
| Fixed income                                   | 504,274             | 504,274                                                                                                    | -                                                                    | -                                                            |
| Market neutral                                 | 75,331              | 75,331                                                                                                     | -                                                                    | -                                                            |
| World allocation                               | <u>91,480</u>       | <u>91,480</u>                                                                                              | <u>-</u>                                                             | <u>-</u>                                                     |
| Total Investments<br>Measured at<br>Fair Value | 1,685,566           | <u>\$ 1,685,566</u>                                                                                        | <u>\$ -</u>                                                          | <u>\$ -</u>                                                  |
| Cash                                           | <u>85,943</u>       |                                                                                                            |                                                                      |                                                              |
| Total<br>Investments                           | <u>\$ 1,771,509</u> |                                                                                                            |                                                                      |                                                              |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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 at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

5. Property and Equipment and Related Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2021 and 2020:

|                                                    | <u>2021</u>       | <u>2020</u>       |
|----------------------------------------------------|-------------------|-------------------|
| Equipment                                          | \$ 373,867        | \$ 373,867        |
| Leasehold improvements                             | 568,838           | 568,838           |
| Computer hardware and software                     | 87,927            | 79,691            |
| Furniture                                          | <u>70,333</u>     | <u>70,333</u>     |
| Total Property and Equipment                       | 1,100,965         | 1,092,729         |
| Less: Accumulated Depreciation<br>and Amortization | <u>(513,653)</u>  | <u>(416,868)</u>  |
| Property and Equipment, Net                        | <u>\$ 587,312</u> | <u>\$ 675,861</u> |

Depreciation and amortization expense was \$96,786 and \$52,286, respectively, for the years ended December 31, 2021 and 2020.

6. Paycheck Protection Program Loans

On May 3, 2020, the Organization received \$325,686 from the Small Business Administration's Paycheck Protection Program (PPP). On February 24, 2021, the Organization applied for and received a second loan through the PPP in the amount of \$359,040. The Organization elected to account for these funds as a conditional contribution under FASB ASC 958-605, *Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. As such, the Organization was able to recognize revenue to the extent that conditions were met. As a result, for the years ended December 31, 2021 and 2020, the Organization recognized \$359,040 and \$325,686, respectively, as government grant – PPP in the accompanying consolidated statement of activities. During the years ended December 31, 2021 and 2020, the Organization met the conditions associated with the PPP loans and on June 7, 2021 and March 9, 2022, the associated notes were forgiven by the lender and the Small Business Administration.



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

7. Net Assets With Donor Restrictions

As of December 31, 2021 and 2020, net assets with donor restrictions were restricted as follows:

|                                                                        | <u>2021</u>       | <u>2020</u>     |
|------------------------------------------------------------------------|-------------------|-----------------|
| Subject to expenditure for specified purpose:                          |                   |                 |
| Increasing Access to Equity in Midwifery Education<br>and Care Project | \$ 598,920        | \$ -            |
| Midwifery Workforce Project                                            | 287,682           | -               |
| Oregon Midwifery Education                                             | 51,442            | -               |
| Leadership Link for Midwives                                           | 31,767            | -               |
| Committee for the Advancement of Midwifery Practice                    | <u>10,758</u>     | <u>5,570</u>    |
| Total Subject to Expenditure<br>for Specified Purpose                  | <u>980,569</u>    | <u>5,570</u>    |
| Total Net Assets With Donor Restrictions                               | <u>\$ 980,569</u> | <u>\$ 5,570</u> |

8. 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. 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.

On February 7, 2020, the Organization entered into an amendment to the non-cancelable operating lease for its headquarters in Silver Spring, Maryland, to terminate the original lease and to relocate into a smaller office location in the same building as the original lease. The term of the amended lease is for the period October 1, 2020 through September 30, 2030. The lease amendment calls for an initial incremental monthly rental payment of \$16,615 and annual rent escalations of 3%. The Organization wrote-off the unamortized deferred rent and lease incentives totaling \$200,816 related to the old lease as a charge to rent and utilities expense. Additionally, under the terms of the lease, the Organization received an allowance of \$348,010 for building improvements as an incentive to enter into the lease agreement.

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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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8. Commitments and Risks (continued)

**Office Lease (continued)**

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

| <u>For the Year Ending</u><br><u>December 31,</u> |                     |
|---------------------------------------------------|---------------------|
| 2021                                              | \$ 200,748          |
| 2022                                              | 206,263             |
| 2023                                              | 211,964             |
| 2024                                              | 217,787             |
| 2025                                              | 223,770             |
| Thereafter                                        | <u>1,149,223</u>    |
| Total                                             | <u>\$ 2,209,755</u> |

Rent expense for this lease totaled \$195,722 and \$270,883, respectively, for the years ended December 31, 2021 and 2020.

**Annual Meeting Commitments**

The Organization has entered into agreements with several venues to provide conference facilities and room accommodations for its annual meeting through 2023. 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 January 8, 2020, Wiley extended and amended its agreement with the Organization to guarantee a royalty payment of \$150,000 for the year ended December 31, 2020. On July 19, 2020, the Organization entered into an agreement with Wiley Periodicals, Inc. (Wiley) to receive publishing services for periods January 1, 2021, through December 31, 2025. Under the contract, Wiley must pay to the Organization 35% of all publication revenue for each year of the agreement with a guaranteed minimum royalty payment of \$150,000 for each year. The Organization has recognized a royalty related to this contract of \$161,632 and \$181,127 for the years ended December 31, 2021 and 2020, respectively, which is included in advertising and royalties in the accompanying consolidated statements of activities.

**Concentration of Credit Risk**

The Organization maintains its cash with a commercial financial institution, which aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2021 and 2020, the amount in excess of the maximum limit insured by the FDIC was approximately \$537,000 and \$86,000, respectively. The Organization monitors the creditworthiness of this institution and has not experienced any credit losses on its cash.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

9. 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, 2021 and 2020, were as follows:

|                                                                                                      | <u>2021</u>         | <u>2020</u>         |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents                                                                            | \$ 1,150,311        | \$ 651,710          |
| Grants and contributions receivable                                                                  | 339,696             | 78,813              |
| Accounts receivable                                                                                  | 164,675             | 60,358              |
| Investments                                                                                          | <u>1,982,018</u>    | <u>1,771,509</u>    |
| Total Financial Assets Available Within One Year                                                     | 3,636,700           | 2,562,390           |
| Less:                                                                                                |                     |                     |
| Amounts unavailable for general expenditures within one year due to donors with purpose restrictions | <u>(980,569)</u>    | <u>(5,570)</u>      |
| Financial Assets Available to Meet General Expenditures Within One Year                              | <u>\$ 2,656,131</u> | <u>\$ 2,556,820</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 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 which \$284,982 and \$206,924 was unused and available to draw upon as of December 31, 2021 and 2020, respectively.

10. 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 \$284,982 and \$206,924, respectively, being available for the Organization to borrow as of December 31, 2021 and 2020. 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 2.25% as of December 31, 2021 and 2020. As of December 31, 2021 and 2020, the outstanding balance on the line of credit was \$648,653 and \$633,919, respectively.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020**

11. 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, 2021 and 2020, and revenues and expenses for the years then ended are summarized as follows:

|                            | <u>2021</u>       | <u>2020</u>       |
|----------------------------|-------------------|-------------------|
| Total assets               | \$ 339,941        | \$ 339,849        |
| Total liabilities          | <u>4,083</u>      | <u>8,731</u>      |
| Net Assets                 | <u>\$ 335,858</u> | <u>\$ 331,118</u> |
| Total Contribution Revenue | <u>\$ 78,633</u>  | <u>\$ 77,956</u>  |
| Total Expenses             | <u>\$ 73,893</u>  | <u>\$ 66,606</u>  |

12. 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 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, 2021 and 2020, 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>2021</u>         | <u>2020</u>         |
|------------------|---------------------|---------------------|
| Total Net Assets | <u>\$ (422,547)</u> | <u>\$ (490,368)</u> |
| Total Revenue    | <u>\$ 273,326</u>   | <u>\$ 238,684</u>   |
| Total Expenses   | <u>\$ 205,505</u>   | <u>\$ 269,371</u>   |

13. 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, 2021 and 2020, the A.C.N.M. Foundation collected grants and contributions totaling \$142,500 and \$100,000, 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 years ended December 31, 2021 and 2020, total contributions collected on behalf of the A.C.N.M. Foundation were minimal.

## AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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#### 14. Contributed Goods and Services

The Organization receives noncash contributions in the form of donated goods, which are reported as in-kind contributions 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, 2021 and 2020, the Organization received in-kind contributions totaling \$18,075 and \$14,674, respectively, which consisted primarily of donated lodging and merchandise.

#### 15. 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, 2021 and 2020, the Organization's Board of Directors elected to make contributions in the amount of \$70,092 and \$43,534, respectively.

#### 16. 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, 2021 and 2020, 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 the IRC Section 527 with respect to certain investment income. For the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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; and there are currently no audits for any tax periods pending or 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, 2021 and 2020, the Organization had no accruals for interest and/or penalties.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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17. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated, for potential recognition or disclosure, events and transactions through September 21, 2022, the date the consolidated financial statements were available to be issued. Except for subsequent events as disclosed at Note 6, Paycheck Protection Program Loan, there were no subsequent events identified through September 21, 2022, that require recognition or disclosure in these consolidated financial statements.