AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

Consolidated Financial Statements

For the Year Ended December 31, 2022

and Report Thereon

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

TABLE OF CONTENTS
For the Year Ended December 31, 2022

Page

Independent Auditors' Report 1-2

Consolidated Financial Statements

Consolidated Statement of Financial Position 3

Consolidated Statement of Activities 4

Consolidated Statement of Functional Expenses 5

Consolidated Statement of Cash Flows 6

Notes to Consolidated Financial Statements 7-17

CBIZ CPAs P.C.

1899 L Street, NW
Suite 850
Washington, DC 20036

P: 202.227.4000

Independent Auditors' Report

To the Board of Directors of
American College of Nurse-Midwives and Affiliates
Washington, DC

Qualified Opinion

We have audited the consolidated financial statements of American College of Nurse-Midwives and Affiliates (the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of American College of Nurse-Midwives and Affiliates as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Because of inadequacy of accounting records, we were unable to obtain sufficient appropriate audit evidence regarding consulting, professional fees, and contracted services (stated at $1,584,424) and meeting expenses (stated at $777,813).

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

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 14 to the consolidated financial statements, the Organization has suffered recurring significant reductions in revenues, has a net deficiency in net assets, and has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 14. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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.

CBIZ CPAs P.C.

Washington, DC
July 15, 2025

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS		
Cash	$	860,063
Grants and contributions receivable		81,616
Accounts receivable		164,714
Prepaid expenses		56,746
Property and equipment, net		906,690
Operating right of use asset, net		1,373,814
Other assets		31,232
TOTAL ASSETS	$	3,474,875
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$	526,245
Accrued salaries and benefits		57,201
Due to state affiliates		57,460
Contract liabilities:		
Deferred membership dues		752,981
Meetings and exhibits		80,756
Operating lease liability		1,693,662
TOTAL LIABILITIES		3,168,305
Net Assets (Deficit)		
Without donor restrictions		(134,332)
With donor restrictions		440,902
TOTAL NET ASSETS		306,570
TOTAL LIABILITIES AND NET ASSETS	$	3,474,875

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

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Membership dues	$ 1,294,494	$ -	$ 1,294,494
Meetings and exhibits	1,292,345	-	1,292,345
Contributions and sponsorships	126,534	-	126,534
Global Outreach grants and contributions	480,681	165,575	646,256
Royalties and advertising	469,779	-	469,779
Accreditation and administration fees	355,446	-	355,446
Other	145,977	-	145,977
Publications and merchandise sales	128,974	-	128,974
Net assets released from restrictions:			
Satisfaction of program restrictions	705,242	(705,242)	-
TOTAL REVENUE AND SUPPORT	4,999,472	(539,667)	4,459,805
EXPENSES			
Program Services:			
Meetings and exhibits	1,640,203	-	1,640,203
Domestic	656,005	-	656,005
Global Outreach	186,715	-	186,715
Member services	379,927	-	379,927
Midwifery practice and education	69,995	-	69,995
Accreditation	149,822	-	149,822
Government affairs	366,904	-	366,904
Midwifery journal	140,708	-	140,708
Total Program Services	3,590,279	-	3,590,279
Support Services:			
Management and general	2,101,509	-	2,101,509
Total Support Services	2,101,509	-	2,101,509
TOTAL EXPENSES	5,691,788	-	5,691,788
Change in net assets from operations	(692,316)	(539,667)	(1,231,983)
Nonoperating Activities:			
Investment loss, net	(323,858)	-	(323,858)
CHANGE IN NET ASSETS	(1,016,174)	(539,667)	(1,555,841)
NET ASSETS, BEGINNING OF YEAR	881,842	980,569	1,862,411
NET ASSETS (DEFICIT), END OF YEAR	$ (134,332)	$ 440,902	$ 306,570

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, 2022

	Program Services									Support Services		
	Meetings and Exhibits	Domestic	Global Outreach	Member Services	Midwifery Practice and Education	Accreditation	Government Affairs	Midwifery Journal	Total Program Services	Management and General	Total Support Services	Total
Salaries and employee benefits	$ 180,990	$ 335,429	$ 66,436	$ 238,469	$ 51,648	$ 41,231	$ 114,311	$ -	$ 1,028,514	$ 1,072,946	$ 1,072,946	$ 2,101,460
Consulting, professional fees and contracted services	713,645	206,190	92,945	20,679	11,756	-	172,804	119,291	1,337,310	429,711	429,711	1,767,021
Meetings	606,431	90,186	-	5,987	-	-	20,472	1,012	724,088	20,724	20,724	744,812
Office expenses and utilities	25,583	-	4,585	25,797	70	219	14,754	1,016	72,024	139,797	139,797	211,821
Rent expense	-	-	-	-	-	-	-	-	-	198,128	198,128	198,128
Depreciation and amortization	50,424	15,786	5,740	11,680	2,152	4,606	11,471	4,326	106,185	55,614	55,614	161,799
Travel	16,277	-	17,009	917	646	54,149	5,903	10,858	105,759	46,167	46,167	151,926
Dues and subscriptions	-	6,987	-	39,398	355	8,131	21,500	2,705	79,076	63,541	63,541	142,617
Bank charges	38,467	-	-	19,169	1,305	-	1,468	-	60,409	33,118	33,118	93,527
Miscellaneous other expenses	5,989	-	-	17,831	2,031	41,486	2,722	1,500	71,559	-	-	71,559
Office supplies	2,397	1,427	-	-	32	-	1,499	-	5,355	41,763	41,763	47,118
TOTAL EXPENSES	$ 1,640,203	$ 656,005	$ 186,715	$ 379,927	$ 69,995	$ 149,822	$ 366,904	$ 140,708	$ 3,590,279	$ 2,101,509	$ 2,101,509	$ 5,691,788

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

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (1,555,841)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Realized losses on sale of investments	345,605
Depreciation and amortization	161,799
Amortization of operating right-of-use asset	163,140
Changes in assets and liabilities:	
Accounts receivable	(39)
Grants and contributions receivable	258,080
Prepaid expenses	100,541
Inventory	455
Accounts payable and accrued expenses	107,999
Accrued salaries and benefits	(47,706)
Due to affiliates	35,971
Deferred membership dues	(258,843)
Deferred meetings and exhibits	62,256
Operating lease liability	(178,061)
NET CASH USED IN OPERATING ACTIVITIES	(804,644)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	2,152,751
Purchases of investments	(516,338)
Purchases of property and equipment	(473,364)
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,163,049
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments of line of credit	(648,653)
NET CASH USED IN FINANCING ACTIVITIES	(648,653)
NET DECREASE IN CASH	(290,248)
CASH, BEGINNING OF YEAR	1,150,311
CASH, END OF YEAR	$ 860,063
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for interest	$ 15,466
Noncash investing and financing transactions:	
Operating lease right-of-use asset upon ASC 842 implementation	$ 1,536,954
Operating lease liability upon ASC 842 implementation	$ 1,871,723

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

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).

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligations are incurred.

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.

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 collectability 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. There was no allowance for doubtful accounts as of December 31, 2022.

Grants and Contributions Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contributions and grants revenue. All grants and contributions receivables at December 31, 2022, were due within one year. Management assesses the collectability of contributions and grants receivable based on management's knowledge and history of each donor. There was no allowance for doubtful accounts as of December 31, 2022.

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

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 statement of activities.

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 statement 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 statement 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

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

Revenue Recognition (continued)

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 statement of financial position. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value.

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. There were no conditional grants received for the year ended December 31, 2022.

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

Annual meeting sponsorships are considered conditional contributions until the annual meeting takes place and therefore recognized when the annual meeting takes place. Accordingly, sponsorships for the annual meeting received in advance are recorded as contract liabilities meetings and exhibits in the accompanying consolidated statement 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 statement of financial position. There were no royalty, advertising and publication revenue received in advanced as of December 31, 2022.

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. There were no contributed goods and services received during the year ended December 31, 2022.

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

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 losses to be nonoperating in nature.

New Accounting Pronouncements

Effective January 1, 2022, the Organization adopted FASB ASC 842, Leases, using the modified retrospective method. In accordance with ASC 842, the operating right of use asset and operating lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using the Organization's estimated incremental borrowing rate or implicit rate, when readily determinable. Expense related to the operating lease is recognized on a straight-line basis over the lease term and is reflected as rent expense in the accompanying financial statements. The future lease obligation is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position. The Organization elected the package of practical expedients permitted under the transition guidance. The Organization generally does not have access to the rate implicit in the lease, and therefore, the Organization has elected to use the risk-free interest rate as the discount rate for computing the lease liability.

The adoption of ASC 842 resulted in the recognition of an operating lease right of use asset of $1,536,954 and an operating lease liability of $1,871,723 and a reduction of deferred rent and lease incentive of $334,769 as of January 1, 2022. The adoption of ASC 842 did not have a material impact on the Organization's results of operations and cash flows. See Note 8.

2. Grants and Contributions Receivable

Grants and contributions receivable of $81,616 as of December 31, 2022, were all due within one year and are deemed fully collectible. Accordingly, no allowance for uncollectible grants and contributions receivable have been provided.

3. Accounts Receivable

Accounts receivable consisted of the following as of December 31, 2022 and 2021:

	2022	2021
Royalties	$ 57,419	$ 105,687
Commission	37,908	-
Membership dues	16,399	20,813
Conference	11,517	11,914
Other	41,471	26,261
Total Accounts Receivable	$ 164,714	$ 164,675

4. Property and Equipment and Related Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2022:

Software	$ 818,587
Leasehold improvements	568,837
Furniture	70,333
Equipment	116,572
Total Property and Equipment	1,574,329
Less: Accumulated Depreciation and Amortization	(667,639)
Property and Equipment, Net	$ 906,690

Depreciation and amortization expense was $161,799, for the year ended December 31, 2022.

5. Revenue from Contracts with Customers

The following table provides information about the significant changes in the Organization's contract liabilities for the year ended December 31, 2022:

Contract liabilities – Membership dues, beginning of year	$ 1,012,657
Revenue recognized that was included in contract liabilities – membership dues at the beginning of year	(1,012,657)
Increase in contract liabilities – membership dues due to cash received during the period	752,981
Contract Liabilities – Membership Dues, End of Year	$ 752,981
Contract liabilities – Meetings and exhibits revenue, beginning of year	$ 17,666
Revenue recognized that was included in contract liabilities – meetings and exhibits revenue at the beginning of year	(17,666)
Increase in contract liabilities – meetings and exhibit revenue due to cash received during the period	80,756
Contract Liabilities – Meetings and Exhibits Revenue, End of Year	$ 80,756

6. Net Assets With Donor Restrictions

As of December 31, 2022, net assets with donor restrictions were restricted as follows:

Subject to expenditure for specified purpose:	
Increasing Access to Equity in Midwifery Education and Care Project	$ 374,686
Midwifery Workforce Project	66,216
Total Net Assets With Donor Restrictions Subject to Expenditure for Specified Purpose	$ 440,902

7. Commitments and Risks

Operating 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%. 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.

The right of use asset and lease liability were calculated based on the present value of future lease payments over the lease term. The Organization generally does not have access to the rate implicit in the lease, and, therefore, the Organization utilized a risk-free rate of 1.59% as the discount rate. Cash paid for the amounts included in the measurement of lease liabilities was $206,263 for the year ended December 31, 2022.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease at December 31, 2022:

Operating lease right of use asset, net of accumulated amortization of $163,140	$ 1,373,814
Operating lease liability	$ 1,693,662

7. Commitments and Risks (continued)

Operating Lease (continued)

As of December 31, 2022, the maturities of the operating lease liability are as follows:

For the Year Ending December 31,	
2023	$ 211,964
2024	217,787
2025	223,770
2026	229,914
2027	236,232
Thereafter	683,077
Total	1,802,744
Less amount representing interest	(109,083)
Total Operating Lease Liability	$ 1,693,662

Rent expense for this lease totaled $198,128, for the year ended December 31, 2022.

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. In 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 $150,000 for the year ended December 31, 2022, which is included in royalties and advertising in the accompanying consolidated statement 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, 2022, the amount in excess of the maximum limit insured by the FDIC was approximately $205,000. The Organization monitors the creditworthiness of this institution and has not experienced any credit losses on its cash.

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, 2022, was as follows:

Cash	$ 860,063
Grants and contributions receivable	81,616
Accounts receivable	164,714
Total Financial Assets Available Within One Year	1,106,393
Less:	
Amounts unavailable for general expenditures within one year due to donors with purpose restrictions	(440,902)
Financial Assets Available to Meet General Expenditures Within One Year	$ 665,491

The Organization has various sources of liquidity at its disposal, including cash, 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. See note 14 for management's plan.

9. 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, 2022 and revenues and expenses for the years then ended are summarized as follows:

Total assets	$ 356,712
Total liabilities	15,090
Net Assets	$ 341,622
Total Contribution Revenue	$ 71,224
Total Expenses	$ 65,460

10. 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, 2022, and revenues and expenses for the year then ended were included in the Organization's accompanying consolidated financial statements, are designated for exclusive use of ACME and are summarized as follows:

Total Net Assets	$ (327,509)
Total Revenue	$ 244,860
Total Expenses	$ 149,822

11. 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 year ended December 31, 2022, the A.C.N.M. Foundation collected grants and contributions totaling $142,500 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, 2022, total contributions collected on behalf of the A.C.N.M. Foundation were minimal.

12. 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 year ended December 31, 2022, the Organization's Board of Directors elected to make contributions in the amount of $50,230.

13. 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 year ended December 31, 2022, no provision for income taxes was required, as ACNM had no net material unrelated business income.

The PAC is subject to federal income taxes under the IRC Section 527 with respect to certain investment income. For the year ended December 31, 2022, 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 year ended December 31, 2022, 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, 2022, the Organization had no accruals for interest and/or penalties.

14. Going Concern

As indicated in the accompanying financial statements, the Organization experienced a significant operating loss of $1,231,983 and had a net deficiency in net assets without donor restrictions of $134,332 for the year ended December 31, 2022. The financial instability was largely due to the impact of the pandemic and significant employee turnover, including at the senior management level. To support operations, including the implementation of the membership system and accounting software, all investments were liquidated during the year. As a result, as of December 31, 2022, the Organization's current liabilities exceeded its current assets by approximately $311,500. These factors indicate substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements were available to be issued.

Under new management since May 2023, the Board of Directors and the Finance and Audit Committee have approved a new operating plan. The plan focuses on four principles: (1) financial stability and sustainability; (2) service recovery and member experience; (3) marketing for midwives; and (4) strategic partnerships. Additionally, management and the Board have begun aggressively pursuing new revenue sources, augmenting membership revenue with more contributions and grants, reducing all expenses to the lowest level possible, maintaining limited staffing, and resuming the annual meeting in 2025. Although these efforts have not resulted in operating income as of the date the audited financial statements are available to be issued, management projects that these efforts will provide the Organization the ability to pay the current debts and eventually return to positive financial operations.

14. Going Concern (continued)

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern; however, the above conditions raise substantial doubt about the Organization's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Organization be unable to continue as a going concern.

15. Subsequent Events

In Management of the Organizations has evaluated events and transactions that occurred after December 31, 2022 through July 15, 2025, the date the financial statements were available to be issued and has determined that no subsequent events or transactions have occurred that require recognition or disclosure in the financial statements.

On August 15, 2023, the Organization abandoned the office lease with a notice to the Landlord that the Organization was unable to remain in the leased premises due to inability to generate sufficient revenues to pay for operating expenses. The Landlord filed two actions against the Organization: a failure to pay rent in the District Court for Montgomery County Maryland and a civil action in the Circuit Court. On April 25, 2024, both parties entered into a lease termination and settlement agreement. Effective as of March 12, 2024, the lease and Organization's interest in the premises was terminated and was of no further force and effect. The Organization agreed to pay the Landlord $120,000 as a settlement amount payable based on the agreed payment schedule.

In July 2024, Projection Video Services, Inc. (vendor) filed a lawsuit against the Organization breach of contract of not paying the invoice for audio and video production services provided during 2023 in the amount of $209,864. On October 18, 2024, the judgment was entered in favor of the vendor. To avoid the uncertainty of the appellate process, the parties reached an amicable settlement on November 5, 2024, in the amount of $150,000, payable based on the agreed terms.