AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

Consolidated Financial Statements

For the Year Ended December 31, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

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Independent Auditors' Report

The Board of Directors of
American College of Nurse-Midwives and Affiliate
Washington, DC

Opinion

We have audited the consolidated financial statements of American College of Nurse-Midwives and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 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 11 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 11. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are

free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the 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 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited American College of Nurse-Midwives and Affiliate 2023 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated July 15, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
December 11, 2025

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Summarized Financial Information as of June 30, 2023)

	2024	2023
ASSETS		
Cash	$ 451,969	$ 617,087
Grants and contributions receivable	-	102,559
Accounts receivable	95,843	82,579
Prepaid expenses	7,494	-
Property and equipment, net	237,619	321,205
Operating right of use asset, net	70,138	109,309
TOTAL ASSETS	$ 863,063	$ 1,232,739
LIABILITIES AND NET DEFICIT		
Liabilities		
Accounts payable and accrued expenses	$ 516,692	$ 798,289
Accrued salaries and benefits	63,117	55,693
Due to state affiliates	38,159	104,337
Deferred membership dues	755,978	636,447
Operating lease liabilities	76,995	1,752,531
TOTAL LIABILITIES	1,450,941	3,347,297
Net Deficit		
Without donor restrictions	(587,878)	(2,114,558)
TOTAL NET DEFICIT	(587,878)	(2,114,558)
TOTAL LIABILITIES AND NET DEFICIT	$ 863,063	$ 1,232,739

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, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

WITHOUT DONOR RESTRICTIONS	2024	2023
REVENUE AND SUPPORT		
Membership dues	$ 1,100,438	$ 1,035,213
Meetings and exhibits	272,368	1,123,941
Contributions and sponsorships	123,335	46,707
Global Outreach grants and contributions	86,461	566,134
Royalties and advertising	315,087	420,333
Accreditation and administration fees	85,321	90,266
Other	59,889	81,655
Publications and merchandise sales	26,336	22,852
TOTAL REVENUE AND SUPPORT	2,069,235	3,387,101
EXPENSES		
Program Services:		
Meetings and exhibits	112,712	989,577
Domestic	133,456	648,269
Global Outreach	117,266	169,408
Member services	158,067	318,549
Midwifery practice and education	156,199	71,209
Accreditation	-	287,155
Government affairs	232,104	274,280
Midwifery journal	127,011	129,711
Total Program Services	1,036,815	2,888,158
Support Services:		
Management and general	1,017,990	1,649,688
Total Support Services	1,017,990	1,649,688
TOTAL EXPENSES	2,054,805	4,537,846
Change in net assets from operations	14,430	(1,150,745)
Nonoperating Activities:		
Gain on derecognition of operating lease liability	1,512,250	-
Loss on impairment of right of use asset	-	(1,270,383)
Total Nonoperating Activities	1,512,250	(1,270,383)
CHANGE IN NET ASSETS	1,526,680	(2,421,128)
NET ASSETS, BEGINNING OF YEAR	(2,114,558)	306,570
NET DEFICIT, END OF YEAR	$ (587,878)	$ (2,114,558)

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, 2024
(With Summarized Financial Information as of June 30, 2023)

	Program Services								Support Services			
	Meetings and Exhibits	Domestic	Global Outreach	Member Services	Midwifery Practice and Education	Government Affairs	Midwifery Journal	Total Program Services	Management and General	Total Support Services	2024 Total	2023 Total
Consulting, professional fees and contracted services	$ 20,119	$ 45,876	$ 32,538	$ -	$ -	$ 25,500	$ 120,493	$ 244,526	$ 222,074	$ 222,074	$ 466,600	$ 1,462,273
Salaries and employee benefits	82,322	80,072	80,072	85,959	150,000	130,000	-	608,425	405,737	405,737	1,014,162	1,290,206
Meetings	159	-	-	-	-	-	-	159	5,460	5,460	5,619	579,572
Loss from disposal of property and equipment	-	-	-	-	-	-	-	-		-	-	432,619
Office expenses and utilities	1,532	-	-	-	-	1,169	-	2,701	144,571	144,571	147,272	167,966
Rent expense	-	-	-	-	-	-	-	-	43,886	43,886	43,886	160,921
Depreciation and amortization	4,473	5,297	4,654	6,273	6,199	9,212	5,041	41,149	48,362	48,362	89,511	152,866
Miscellaneous other expenses	1,354	2,211	-	-	-	1,905	-	5,470	897	897	6,367	117,531
Bank charges	-	-	2	30,967	-	719	14	31,702	30,416	30,416	62,118	79,242
Dues and subscriptions	2,143	-	-	34,868	-	63,599	-	100,610	108,344	108,344	208,954	60,850
Travel	-	-	-	-	-	-	1,463	1,463	5,471	5,471	6,934	21,322
Office supplies	610	-	-	-	-	-	-	610	2,772	2,772	3,382	12,478
TOTAL EXPENSES	$ 112,712	$ 133,456	$ 117,266	$ 158,067	$ 156,199	$ 232,104	$ 127,011	$ 1,036,815	$ 1,017,990	$ 1,017,990	$ 2,054,805	$ 4,537,846

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, 2024
(With Summarized Financial Information for the Year Ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,526,680	$ (2,421,128)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on derecognition of operating lease liability	(1,512,250)	-
Loss on impairment of right of use asset	-	1,270,383
Loss from disposal of property and equipment	-	432,619
Depreciation and amortization	89,511	152,866
Amortization of operating right-of-use asset	39,171	112,947
Changes in assets and liabilities:		
Grants and contributions receivable	102,559	(20,943)
Accounts receivable	(13,264)	82,135
Prepaid expenses and other assets	(7,494)	87,978
Accounts payable and accrued expenses	(281,597)	272,044
Accrued salaries and benefits	7,424	(1,508)
Due to affiliates	(66,178)	46,877
Deferred membership dues	119,531	(116,534)
Deferred meetings and exhibits	-	(80,756)
Operating lease liabilities	(163,286)	(59,956)
NET CASH USED IN OPERATING ACTIVITIES	(159,193)	(242,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,925)	-
NET DECREASE IN CASH	(165,118)	(242,976)
CASH, BEGINNING OF YEAR	617,087	860,063
CASH, END OF YEAR	$ 451,969	$ 617,087
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Addition to operating lease right-of-use asset obtained in exchange of new lease liability	$ -	$ 118,825

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

Accounts receivable consists of fees owed for membership, royalty and meeting registration. The Organization uses the allowance method to record accounts receivable at their estimated net realizable value. The loss rate method estimate is derived from a review of the Organization's historical write-offs as a percentage of average accounts receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the composition of the Organization's accounts receivable have remained unchanged. Based on economic indicators, the Organization is not anticipating a change in the historical credit loss rate from what has been in the past. As of December 31, 2024, there was no allowance for credit losses.

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. Management assesses the collectability of contributions and grants receivable based on management's knowledge and history of each donor. There was no grants and contributions receivables at December 31, 2024.

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. 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. As of December 31, 2024, the Organization had no net assets with donor restrictions.

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 the accompanying consolidated statement of activities as net assets released from restrictions.

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

Revenue Recognition (continued)

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. As of December 31, 2024, the Organization had no grants and contributions receivable.

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, 2024.

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. There were no payments received in advance for meetings and exhibits as of December 31, 2024

Annual meeting sponsorships are considered conditional contributions until the annual meeting takes place and therefore recognized when the annual meeting takes place.

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 advance as of December 31, 2024.

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. There were no fees received in advance as of December 31, 2024.

Merchandise sales are recorded as revenue when the goods are shipped.

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.

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 gain on derecognition of operating lease liability to be nonoperating in nature.

2. Accounts Receivable

Accounts receivable consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Royalties	$ 28,890	$ 16,081
Membership dues	16,215	15,770
Conference	50,728	50,728
Total Accounts Receivable	$ 95,843	$ 82,579

3. Property and Equipment and Related Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2024:

Software	$ 26,876
Equipment	456,448
Total Property and Equipment	483,325
Less: Accumulated Depreciation and Amortization	(245,706)
Property and Equipment, Net	$ 237,619

Depreciation and amortization expense was $89,511, for the year ended December 31, 2024.

4. 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, 2024:

Contract liabilities – Membership dues, beginning of year	$ 636,447
Revenue recognized that was included in contract liabilities – membership dues at the beginning of year	(636,447)
Increase in contract liabilities – membership dues due to cash received during the period	755,978
Contract Liabilities – Membership Dues, End of Year	$ 755,978

5. Commitments, Risks and Contingencies

Operating Lease

Silver Spring, Maryland

The Organization had a noncancelable operating lease for its headquarters' office space in Silver Spring, Maryland, which expired on September 30, 2023. The lease provided for three months of rent abatement, and contained a fixed escalation clause for increases in the annual minimum rent. Under the terms of the lease, the Organization was 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 was for the period October 1, 2020 through September 30, 2030. The lease amendment called 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.

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 March 12, 2024. The Organization reached an agreement to pay the Landlord a settlement amount of $120,000, adhering to the specified payment schedule.

As a result of the abandonment of the office lease described above, management derecognized the remaining operating lease liability and presented as a gain on derecognition of operating lease liability in the accompanying statement of activities.

Washington, DC

On October 1, 2023, the Organization entered into a new office lease agreement in Washington, DC. The lease commenced on the same day and will expire on August 31, 2026. Monthly lease payments are $4,000 per month, throughout the duration of the lease. As a rental incentive, the Organization received a full rent abatement for the initial three months of the lease.

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 4.88% as the discount rate. The cash paid for the amounts included in the measurement of lease liabilities was $48,000 for the year ended December 31, 2024.

5. Commitments, Risks and Contingencies (continued)

Operating Lease (continued)

Washington, DC (continued)

The following summarizes the line items in the statement of financial position which include amounts for the operating lease at December 31, 2024:

Operating lease right of use asset, net of accumulated amortization of $48,687	$	70,138
Operating lease liability	$	76,995

As of December 31, 2024, the maturities of the operating lease liability are as follows:

For the Year Ending December 31,	
2025	$ 48,000
2026	32,000
Total	80,000
Less amount representing interest	(3,005)
Total Operating Lease Liability	$ 76,995

Rent expense for these leases totaled $43,886, for the year ended December 31, 2024.

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, 2024, 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, 2024, the amount in excess of the maximum limit insured by the FDIC was approximately $21,460. The Organization monitors the creditworthiness of this institution and has not experienced any credit losses on its cash.

5. Commitments, Risks and Contingencies (continued)

Litigation Contingencies

On July 23, 2024, a hotel filed a demand for arbitration against the Organization, seeking liquidated damages in excess of $235,000 related to the cancellation of hotel services reserved for the planned 2024 Annual Conference and Exhibition. The arbitration process is currently in the discovery phase, which is expected to conclude by the end of December 2025. Dispositive motions are scheduled to be submitted at the end of January, followed by a hearing. Management believes the outcome will be favorable to the Organization, as the hotel contract includes a Convention Clause stating that if the event is canceled, the contract is also canceled without penalty or liability.

6. 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, 2024 was as follows:

Cash	$ 451,969
Accounts receivable	95,843
Total Financial Assets Available Within One Year	$ 547,812

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 11 for management's plan.

7. 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, 2024 and revenues and expenses for the year then ended are summarized as follows:

Total assets	$ 271,460
Total liabilities	5,754
Net Assets	$ 265,706
Total Contribution Revenue	$ 39,437
Total Expenses	$ 92,892

8. 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, 2024, the A.C.N.M. Foundation did not collect any grants and contributions on behalf of the Organization. The Organization also collects contributions from its members on behalf of the A.C.N.M. Foundation. During the year ended December 31, 2024, total contributions collected on behalf of the A.C.N.M. Foundation were minimal.

9. 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. Effective July 1, 2023, the Organization amended the Plan to remove the provision for safe harbor nonelective contribution. For the year ended December 31, 2024, pension expense totaled $3,270.

10. 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, 2024, 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, 2024, 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, 2024, and determined that there were no matters that would require recognition

10. Income Taxes (continued)

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, 2024, the Organization had no accruals for interest and/or penalties.

11. Going Concern

The Organization has experienced operating losses in prior years, which resulted in concerns regarding its ability to continue as a going concern. For the year ended December 31, 2024, the Organization did not incur a significant loss. However, management continues to closely monitor liquidity and cash flow to ensure ongoing operations. As of December 31, 2024, the Organization had a net deficiency in net assets without donor restrictions totaling $587,878 and a negative cashflows in operations of $159,193. These factors indicate substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements were available to be issued.

Management has implemented various plans to address and improve financial stability including cost control measures, fundraising initiatives, and efforts to diversify revenue streams. Although these efforts have not resulted in sustainable 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.

The accompanying consolidated 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.

12. Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class and functional area. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized comparative information was derived.

13. Subsequent Events

Management of the Organization has evaluated events and transactions that occurred after December 31, 2024 through December 11, 2025, the date the consolidated financial statements were available to be issued and has determined no subsequent events or transactions have occurred that require recognition or disclosure in the financial statements.