CBIZ CPAs

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

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

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, 2025, 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, 2025, 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 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated December 11, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, D.C.
October 14, 2026

AMERICAN COLLEGE OF NURSE-MIDWIVES AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025
(With Summarized Financial Information as of December 31, 2024)

	2025	2024
Assets		
Cash	$ 391,436	$ 451,969
Grants and contributions receivable	16,776	--
Accounts receivable	110,833	95,843
Prepaid expenses	17,596	7,494
Property and equipment, net	204,330	237,619
Operating right of use asset, net	9,221	70,138
Total Assets	$ 750,192	$ 863,063
Liabilities and Net Deficit		
Liabilities		
Accounts payable and accrued expenses	$ 281,344	$ 516,692
Accrued salaries and benefits	77,844	63,117
Due to state affiliates	31,620	38,159
Deferred membership dues	812,246	755,978
Operating lease liabilities	11,964	76,995
Total Liabilities	1,215,018	1,450,941
Net Deficit		
Without donor restrictions	(471,602)	(587,878)
With donor restrictions	6,776	--
Total Net Deficit	(464,826)	(587,878)
Total Liabilities and Net Deficit	$ 750,192	$ 863,063

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, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	2025	2024
Activities Without Donor Restrictions		
Revenue and Support		
Membership dues	$ 1,091,789	$ 1,100,438
Meetings and exhibits	422,773	272,368
Grants, contributions and sponsorships	201,292	209,796
Royalties and advertising	317,246	315,087
Administrative fees	87,913	85,321
Other	63,654	59,889
Publications and merchandise sales	8,413	26,336
Net assets released from restrictions	126,000	--
Total Revenue and Support	2,319,080	2,069,235
Expenses		
Program Services		
Meetings and exhibits	175,876	112,712
Domestic	126,000	133,456
Global Outreach	17,758	117,266
Member services	139,303	158,067
Midwifery practice and education	36,599	156,199
Government affairs	170,209	232,104
Midwifery journal	185,203	127,011
Total Program Services	850,948	1,036,815
Supporting Services		
Management and general	1,351,856	1,017,990
Total Supporting Services	1,351,856	1,017,990
Total Expenses	2,202,804	2,054,805
Change in Net Assets From Operations	116,276	14,430
Nonoperating Activities		
Gain on derecognition of operating lease liability	--	1,512,250
Change in Net Assets Without Donor Restrictions	116,276	1,526,680
Activities with Donor Restrictions		
Grants and contributions	132,776	--
Net assets released from restrictions	(126,000)	--
Change in Net Assets With Donor Restrictions	6,776	--
Change in Net Assets	123,052	1,526,680
Net Deficit, Beginning of Year	(587,878)	(2,114,558)
Net Deficit, End of Year	$ (464,826)	$ (587,878)

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, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	Program Services								Supporting 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	2025 Total	2024 Total
Salaries and employee benefits	$ 100,511	$ 84,583	$ -	$ 100,971	$ 23,506	$ 152,721	$ -	$ 462,292	$ 592,857	$ 592,857	$ 1,055,149	$ 1,014,162
Consulting, professional fees and contracted services	39,715	40,812	17,499	--	--	15,000	179,337	292,363	271,165	271,165	563,528	466,600
Dues and subscriptions	9,577		--	30,652	588	--	--	40,817	213,845	213,845	254,662	208,954
Office expenses and utilities	4,436	--	--	94	1,064	--	--	5,594	92,098	92,098	97,692	147,272
Bank charges	--	--	--	4,100	--	--	--	4,100	62,595	62,595	66,695	62,118
Rent expense	--	--	--	--	--	--	--	--	43,886	43,886	43,886	43,886
Meetings	15,481	--	--	--	239	--	--	15,720	22,130	22,130	37,850	5,619
Travel	3,463	--	--	1,347	7,148	--	3,377	15,335	20,009	20,009	35,344	6,934
Depreciation and amortization	2,571	605	259	2,037	2,649	2,488	2,489	13,098	20,191	20,191	33,289	89,511
Miscellaneous other expenses	5	--	--	20	7	--	--	32	5,461	5,461	5,493	6,367
Office supplies	117	--	--	82	1,398	--	--	1,597	7,619	7,619	9,216	3,382
Total Expenses	$ 175,876	$ 126,000	$ 17,758	$ 139,303	$ 36,599	$ 170,209	$ 185,203	$ 850,948	$ 1,351,856	$ 1,351,856	$ 2,202,804	$ 2,054,805

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, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 123,052	$ 1,526,680
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	33,289	89,511
Amortization of operating right-of-use asset	41,331	39,171
Gain on derecognition of operating lease liability	--	(1,512,250)
Changes in assets and liabilities:		
Grants and contributions receivable	(16,776)	102,559
Accounts receivable	(14,990)	(13,264)
Prepaid expenses and other assets	(10,102)	(7,494)
Accounts payable and accrued expenses	(235,348)	(281,597)
Accrued salaries and benefits	14,727	7,424
Due to affiliates	(6,539)	(66,178)
Deferred membership dues	56,268	119,531
Operating lease liabilities	(45,445)	(163,286)
Net Cash Used in Operating Activities	(60,533)	(159,193)
Cash Flows From Investing Activities		
Purchase of property and equipment	--	(5,925)
Net Cash Used in Investing Activities	--	(5,925)
Net Decrease in Cash	(60,533)	(165,118)
Cash, Beginning of Year	451,969	617,087
Cash, End of Year	$ 391,436	$ 451,969

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

NOTE 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 utilizes the current expected credit losses (CECL) methodology to record accounts receivable at their estimated net realizable value. The CECL 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, 2025, there was no allowance for credit losses.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. As of December 31, 2025, the Organization had grants and contributions receivable of $16,776, all of which are due within one year. Based on management's assessment of the outstanding balances and collection history, all amounts were deemed fully collectible. Accordingly, no allowance for doubtful accounts was recorded as of December 31, 2025.

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. The cost of 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, 2025, the Organization has $6,776 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.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

The Organization receives grants and contributions from various entities. These amounts are included in Grants, 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.

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, 2025.

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, 2025.

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

Royalty income are recognized at the point in time as the underlying Journal revenues are earned by the publisher in accordance with the terms of the publishing agreement. 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 revenue received in advance as of December 31, 2025.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Administrative fees are recognized when the services are provided to third parties. There were no fees received in advance as of December 31, 2025.

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

During the year ended December 31, 2025, the Organization received Employee Retention Tax Credit (ERTC) refunds of approximately $108,549. The ERTC represents a refundable payroll tax credit available to eligible employers under federal COVID-19 relief legislation. The Organization recognized the proceeds as contribution revenue in the accompanying consolidated statement of activities when the related eligibility requirements were satisfied.

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.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Royalties	$ 23,417	$ 28,890
Membership dues	32,371	16,215
Conference	55,045	50,728
Total Accounts Receivable	$ 110,833	$ 95,833

NOTE 3 – PROPERTY AND EQUIPMENT AND RELATED DEPRECIATION AND AMORTIZATION

Property and equipment consisted of the following as of December 31, 2025:

Software	$ 9,959
Equipment	303,287
Total Property and Equipment	313,246
Less: Accumulated depreciation and amortization	(108,916)
Property and Equipment, Net	$ 204,330

Depreciation and amortization expense was $33,289, for the year ended December 31, 2025.

NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about the significant changes in the Organization's deferred revenue for the year ended December 31, 2025:

Deferred revenue – Membership dues, beginning of year	$ 755,978
Revenue recognized that was included in deferred revenue – membership dues at the beginning of year	(755,978)
Increase in deferred revenue – membership dues due to cash received during the period	812,246
Deferred Revenue – Membership Dues, End of Year	$ 812,246

NOTE 5 – COMMITMENTS, RISKS AND CONTINGENCIES

OPERATING LEASE

Silver Spring, Maryland

During 2024, the Organization entered into a lease termination and settlement agreement related to its former headquarters lease in Silver Spring, Maryland. As a result of the transaction, the Organization derecognized the related operating lease liability and recognized a gain on derecognition of the lease obligation in the accompanying consolidated statement of activities. Under the terms of the settlement agreement, the Organization agreed to pay $120,000 to the landlord. As of December 31, 2025, the remaining settlement obligation totaled $43,000 and is included in accounts payable and accrued expenses in the accompanying consolidated statement of financial position.

Washington, DC

On October 1, 2023, the Organization entered into an 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 (ROU) 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.

On December 15, 2025, the lease was amended to change the termination date to March 31, 2026. The Organization remeasured the operating lease liability and the associated ROU asset to reflect the revised lease term. The Organization utilized a risk free rate of 3.66% to remeasure the operating lease liability. This remeasurement resulted in a noncash reduction of both the operating lease liability and the ROU asset of approximately $19,586. The cash paid for the amounts included in the measurement of lease liabilities was $48,000 for the year ended December 31, 2025.

As of December 31, 2025, the future minimum lease payment required under the lease for the year ended December 31, 2026 was $11,964.

Rent expense for these leases totaled $43,886, for the year ended December 31, 2025.

PUBLICATION CONTRACT

On December 3, 2025, the Organization entered into a long-term publishing agreement with a third-party publisher under which it receives royalties and other payments related to publication of the Journal. The agreement is effective from January 1, 2026, through December 31, 2032, and includes guaranteed minimum annual payments and other fee arrangements.

NOTE 5 – COMMITMENTS, RISKS AND CONTINGENCIES (CONTINUED)

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, 2025, there was no amount in excess of the maximum limit insured by the FDIC. The Organization monitors the creditworthiness of this institution and has not experienced any credit losses on its cash.

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 2026. Dispositive motions are scheduled to be heard approximately February 2027. Management expects that a ruling on the motions may resolve the matter, however, if the dispute is not resolved through the motion process, the matter will proceed to arbitration. 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.

NOTE 6 – AVAILABILITY AND LIQUIDITY

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2025 was as follows:

Cash	$ 391,436
Grants and contributions receivable	16,776
Accounts receivable	110,833
	519,045
Less net assets with donors' restrictions	(6,776)
Total Financial Assets Available Within One Year	$ 512,269

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.

NOTE 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, 2025 and revenues and expenses for the year then ended are summarized as follows:

Total assets	$ 234,328
Total liabilities	6,425
Net Assets	$ 227,903
Total Contribution Revenue	$ 17,826
Total Expenses	$ 55,629

NOTE 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, 2025, 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, 2025, total contributions collected on behalf of the A.C.N.M. Foundation were minimal.

NOTE 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. There was no employer contributions made for the year ended December 31, 2025.

NOTE 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, 2025, 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, 2025, 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, 2025, 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, 2025, the Organization had no accruals for interest and/or penalties.

NOTE 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, 2025, 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, 2025, the Organization had a net deficiency in net assets without donor restrictions totaling $464,826 and a negative cashflows in operations of $60,533. 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 with the ability to pay the current debts and eventually return to positive financial operations.

NOTE 11 – GOING CONCERN (CONTINUED)

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.

NOTE 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, 2024, from which the summarized comparative information was derived.

NOTE 13 – SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions that occurred after December 31, 2025 through October 14, 2026 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 other than the publication contract described in Note 5.