THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Acton Institute for the Study of Religion and Liberty
Grand Rapids, Michigan

Opinion

We have audited the accompanying financial statements of The Acton Institute for the Study of Religion and Liberty (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Acton Institute for the Study of Religion and Liberty as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Acton Institute for the Study of Religion and Liberty's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Directors
The Acton Institute for the Study of Religion and Liberty
Grand Rapids, Michigan

Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Acton Institute for the Study of Religion and Liberty'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 Acton Institute for the Study of Religion and Liberty'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.

Capin Crouse LLC

Grand Rapids, Michigan
June 30, 2026

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 775,727	$ 3,017,215
Investments	607,139	258,138
Promises to give–net	625,140	1,047,087
Prepaid expenses and other assets	1,154,188	1,123,038
	3,162,194	5,445,478
Non-current assets:		
Promise to give, less current portion	913,333	418,297
Long-term investments	13,364,777	14,626,858
Land, building and equipment–net	5,727,208	6,062,487
	20,005,318	21,107,642
Total Assets	$ 23,167,512	$ 26,553,120
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and other liabilities	$ 211,085	$ 170,839
Performance obligation liabilities	43,800	21,910
Total Liabilities	254,885	192,749
Net assets:		
Net assets without donor restrictions	13,964,033	17,796,099
Net assets with donor restrictions:		
Restricted by purpose or time	8,398,594	8,064,272
Restricted in perpetuity	550,000	500,000
	8,948,594	8,564,272
Total net assets	22,912,627	26,360,371
Total Liabilities and Net Assets	$ 23,167,512	$ 26,553,120

See notes to financial statements

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Statements of Activities

	Years Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	$ 7,095,382	$ 874,995	$ 7,970,377	$ 7,751,149	$ 1,477,662	$ 9,228,811
Contributed nonfinancial assets:						
Contributed services	488,229	-	488,229	442,203	-	442,203
Donated artwork	-	-	-	187,000	-	187,000
	7,583,611	874,995	8,458,606	8,380,352	1,477,662	9,858,014
Revenue:						
Investment income used in operations - net	-	33,959	33,959	-	24,117	24,117
Program fees	550,495	-	550,495	470,050	-	470,050
Other income	19,400	-	19,400	13,673	-	13,673
Sales	74,125	-	74,125	97,397	-	97,397
	644,020	33,959	677,979	581,120	24,117	605,237
Total Support and Revenue	8,227,631	908,954	9,136,585	8,961,472	1,501,779	10,463,251
Net Assets Released from Restrictions and Reclassifications	693,647	(693,647)	-	4,800,734	(4,800,734)	-
Total Support, Revenue, Net Assets Released from Restrictions and Reclassifications	8,921,278	215,307	9,136,585	13,762,206	(3,298,955)	10,463,251
EXPENSES:						
Program services	10,385,986	-	10,385,986	10,295,928	-	10,295,928
Supporting activities:						
Management and general	739,947	-	739,947	718,286	-	718,286
Fundraising	1,642,774	-	1,642,774	1,658,620	-	1,658,620
Total Expenses	12,768,707	-	12,768,707	12,672,834	-	12,672,834
Change in Net Assets from Operating Activities	(3,847,429)	215,307	(3,632,122)	1,089,372	(3,298,955)	(2,209,583)
NONOPERATING ACTIVITIES:						
Investment income - net of amounts used in operations	15,363	169,015	184,378	562,887	55,929	618,816
Total Change in Net Assets	(3,832,066)	384,322	(3,447,744)	1,652,259	(3,243,026)	(1,590,767)
Net Assets, Beginning of Year	17,796,099	8,564,272	26,360,371	16,143,840	11,807,298	27,951,138
Net Assets, End of Year	$13,964,033	$ 8,948,594	$22,912,627	$17,796,099	$ 8,564,272	$26,360,371

See notes to financial statements

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Statement of Functional Expenses

	Year Ended December 31, 2025							
	Program Services					Supporting Activities		
	Education	Research	General Education	Poverty Center	Total	Management and General	Fundraising	Total
Salaries and wages	$ 1,486,213	$ 811,309	$ 721,320	$ 525,707	$ 3,544,549	$ 351,787	$ 1,059,551	$ 4,955,887
Conferences and conventions	2,181,879	450,356	193,570	130,909	2,956,714	809	2,238	2,959,761
Contracted services	377,247	150,915	170,266	528,441	1,226,869	21,911	61,420	1,310,200
Other	191,907	52,058	102,301	66,011	412,277	100,172	123,755	636,204
Travel	182,650	45,140	24,699	142,608	395,097	39,174	87,684	521,955
Advertising and promotion	9,944	-	504,269	1,126	515,339	-	-	515,339
Depreciation	85,749	40,288	32,978	28,760	187,775	88,217	128,272	404,264
Printing and duplicating	98,524	97,674	40,693	24,283	261,174	7,958	57,481	326,613
Grants and awards	9,215	219,209	-	-	228,424	-	-	228,424
Equipment rental and maintenance	79,371	20,807	42,290	15,723	158,191	20,807	13,971	192,969
Honorariums	124,424	1,000	12,500	6,360	144,284	-	-	144,284
Occupancy	31,159	11,995	46,661	8,563	98,378	26,265	12,843	137,486
Postage and shipping	1,427	34,122	11,568	724	47,841	332	70,700	118,873
Meals and entertainment	63,211	4,323	5,590	7,102	80,226	7,389	9,423	97,038
Supplies	26,061	5,582	22,340	9,984	63,967	9,053	8,349	81,369
Professional fees	4,059	-	-	2,786	6,845	50,378	-	57,223
Furniture, fixtures, and equipment	9,568	3,542	5,930	7,671	26,711	7,187	3,514	37,412
Telephone	11,193	3,623	2,732	3,808	21,356	7,308	3,573	32,237
Publications	-	1,869	100	8,000	9,969	-	-	9,969
Unrelated business income tax	-	-	-	-	-	1,200	-	1,200
Total Expenses	$ 4,973,801	$ 1,953,812	$ 1,939,807	$ 1,518,566	$ 10,385,986	$ 739,947	$ 1,642,774	$ 12,768,707

See notes to financial statements

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Statement of Functional Expenses

	Year Ended December 31, 2024							
	Program Services					Supporting Activities		
	Education	Research	General Education	Poverty Center	Total	Management and General	Fundraising	Total
Salaries and wages	$ 1,617,813	$ 745,215	$ 788,446	$ 475,654	$ 3,627,128	$ 307,327	$ 1,026,958	$ 4,961,413
Conferences and conventions	2,021,682	454,458	231,030	131,638	2,838,808	12,150	8,324	2,859,282
Contracted services	392,668	82,466	332,445	315,871	1,123,450	25,375	151,706	1,300,531
Other	153,267	43,379	135,293	26,318	358,257	85,398	95,956	539,611
Advertising and promotion	9,202	-	485,139	8,052	502,393	-	1,808	504,201
Travel	160,196	49,503	45,392	110,404	365,495	52,726	84,905	503,126
Depreciation	86,702	40,269	38,067	25,052	190,090	81,607	130,332	402,029
Grants and awards	33,444	309,314	-	-	342,758	8,592	-	351,350
Printing and duplicating	80,789	23,129	118,291	13,778	235,987	5,004	45,924	286,915
Honorariums	194,446	7,600	12,500	24,299	238,845	-	-	238,845
Equipment rental and maintenance	86,742	22,952	43,168	19,764	172,626	22,907	15,474	211,007
Postage and shipping	9,309	15,348	45,990	602	71,249	135	57,287	128,671
Occupancy	29,621	10,659	23,753	6,626	70,659	21,601	12,006	104,266
Supplies	23,822	5,069	19,929	5,729	54,549	8,922	13,488	76,959
Meals and entertainment	37,447	2,536	2,071	13,471	55,525	3,870	9,153	68,548
Professional fees	4,499	-	-	-	4,499	40,635	-	45,134
Unrelated business income tax	-	-	-	-	-	32,470	-	32,470
Telephone	8,677	3,019	2,747	3,222	17,665	5,889	3,262	26,816
Furniture, fixtures, and equipment	5,800	2,163	5,045	5,861	18,869	3,678	2,037	24,584
Publications	-	-	6,878	198	7,076	-	-	7,076
Total Expenses	$ 4,956,126	$ 1,817,079	$ 2,336,184	$ 1,186,539	$ 10,295,928	$ 718,286	$ 1,658,620	$ 12,672,834

See notes to financial statements

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (3,447,744)	$ (1,590,767)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	404,264	402,029
Change in promises to give discount	-	(116,703)
Net unrealized and realized loss (gain) on investments	193,737	(183,876)
Changes in operating assets and liabilities:		
Promises to give	(73,089)	(566,241)
Prepaid expenses and other assets	(31,150)	(238,789)
Accounts payable and other liabilities	40,246	62,290
Refundable advances	-	(45,331)
Performance obligation liabilities	21,890	21,910
Net Cash Used in Operating Activities	(2,891,846)	(2,255,478)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(68,985)	(331,855)
Purchase of investments	(1,659,643)	(1,420,573)
Proceeds from the sale of investments	2,378,986	2,591,785
Net Cash Provided by Investing Activities	650,358	839,357
Change In Cash and Cash Equivalents	(2,241,488)	(1,416,121)
Cash and Cash Equivalents, Beginning of Year	3,017,215	4,433,336
Cash and Cash Equivalents, End of Year	$ 775,727	$ 3,017,215
SUPPLEMENTAL DISCLOSURES		
Cash paid for unrelated business income tax	$ 1,200	$ 32,470

See notes to financial statements

THE ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

Notes to Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

The Acton Institute for the Study of Religion and Liberty (the Institute) is a nonprofit education literary center, headquartered in Grand Rapids, Michigan. The Institute's primary goal is to familiarize the religious community, particularly students and seminarians, with the moral dimensions of liberty and the free market. The Institute is primarily supported by contributions and program fees.

The Institute, a Michigan non-profit corporation, is exempt from income tax under Section 501(c)(3) of the US Internal Revenue Code (the Code) and comparable state law, and contributions to it are tax-deductible, within the limitation prescribed by the Code. The Institute is classified as a publicly supported organization, and not a private foundation under section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

USE OF ESTIMATES

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance and discount on promises to give, valuation of contributed services, valuation of investments, allocation of functional expenses, and depreciation of property and equipment based on useful lives.

OPERATING AND NONOPERATING ACTIVITIES

The statements of activities present the changes in net assets of the Institute from operating activities and from nonoperating activities. The portion of investment return appropriated on long-term investments held for endowments under the Institute's total return spending policy is considered operating revenue. The investment return in excess of amounts utilized for operations as defined by the Institute's spending policy is considered a nonoperating activity.

All other revenue and expenses are considered operational.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

The Institute considers cash held in checking and savings accounts, and all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. The Institute's accounts are insured by the Federal Deposit Insurance Corporation. At times, the Institute's cash and cash equivalents exceed federally insured limits. As of December 31, 2025 and 2024, there were approximately $475,000 and $2,520,000 of uninsured cash and cash equivalents, respectively. There was no restricted cash as of December 31, 2025 and 2024.

PROMISES TO GIVE

Unconditional promises to give are recognized as revenue in the period the promise is made, and as assets, decreases of liabilities, or expenses depending on the form of the benefits to be received.

Promises to give are stated at the amount management expects to collect from balances outstanding. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its evaluation of the status of individual accounts, past credit history with donors and the donors' current financial condition. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to promises to give.

The Institute considers promises to give to be fully collectible; accordingly, no allowance for doubtful promises to give has been recorded. If amounts become uncollectible, a provision for the potential loss will be charged to operations when the determination is made. Promises to give expected to be collected in the next year were $625,140 and $1,047,087 as of December 31, 2025 and 2024, respectively. Promises to give expected to be collected in one to five years were $913,333 and $418,297 as of December 31, 2025 and 2024, respectively. The discount recorded as of December 31, 2025 and 2024 was $116,703, using discount rates ranging between 3.55% to 4.5%.

LAND, BUILDING, AND EQUIPMENT

The Institute follows the practice of capitalizing, at cost, all expenditure for property and equipment in excess of $1,000. Repairs and maintenance costs are expensed as incurred. Donations of property and equipment are recorded as support at the estimated fair value at the time received. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions specifying how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how the long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or long-lived assets are placed in service. The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 or 2024.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LAND, BUILDING, AND EQUIPMENT, continued
Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Land	Not depreciated
Building	3 to 40 years
Furniture, fixtures, and equipment	3 to 7 years
Library books and reference materials	7 years

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES
The Institute follows the provisions of the *Fair Value Measurements and Disclosure* topic of the FASB ASC. These standards establish a fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value.

Level 1
Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2
Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3
Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Valuation techniques: Fair value for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of fixed income investments is based on yields currently available on comparable securities of issuers with similar credit ratings. Fair value of common stock of an unregistered company is based on an independent appraisal of the valuation of the company.

INVESTMENTS
Investments held at cost include money market funds and certificates of deposit with an original maturity date greater than 90 days held within the investment portfolio. The Institute holds Level 1, Level 2 and Level 3 investments. Level 1 investments include mutual funds. Level 2 investments include fixed income funds. Level 3 investments include common stock of an unregistered company. The Institute used significant unobservable inputs including information from an independent appraisal based on other valuation methods. The valuation approach considers capitalization of earnings and the merger and acquisition valuation method, as well as discounting the valuation for lack of control and lack of marketability.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS WITHOUT DONOR RESTRICTIONS
Net assets without donor restrictions are used to account for all resources over which the Institute has discretionary control.

NET ASSETS WITH DONOR RESTRICTIONS
Contributions of cash and other assets are considered net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for the Novak award as described in Note 7.

SUPPORT AND REVENUE
Contributions received are reported as without donor restrictions or with donor restrictions support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction is met in the same reporting period in which the support is recognized as revenue. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed nonfinancial assets consist of contributed services and donated artwork. The contributed services is an ongoing in-kind grant for online promotion of its programs. These services are reported as contributed nonfinancial assets at their estimated fair value as of the date of the contribution and expensed as promotional messaging occurs. The services are valued based upon estimates of what would be received for providing the services in their principal market at the time the services are contributed by the donor. These services are only used for program service purposes. Contributed artwork was a one-time gift during the year ended December 31, 2024, and is reported at the estimated fair value as of the date of the contribution based on a professional appraisal. Due to immateriality, the artwork is included in land, building, and equipment on the statements of financial position and no additional disclosures are reported.

Revenue from program fees is recognized during the period in which the events occur and the performance obligations are met. The Institute had no material contract assets related to revenue from contracts with customers as of December 31, 2025, 2024, or 2023.

Sales and other income are recorded as the revenue is earned.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program services and supporting activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Certain costs not directly attributable to specific program services or functions have been allocated to program services and supporting activities. Management allocates costs based on an average of the programs budget, full time equivalents, and staff time attributed to the function. Management considers its method of allocation to be equitable. The Institute incurred no joint costs during the years ended December 31, 2025 and 2024.

ADVERTISING AND PROMOTION

The Institute expenses advertising costs as incurred. Total advertising costs were $515,339 and $504,201 including contributed services of $488,229 and $442,203, as of December 31, 2025 and 2024, all respectively. Advertising and promotion relates to costs to bring awareness to the the issues the Institute supports.

UNRELATED BUSINESS INCOME TAX

The Institute is subject to tax on unrelated business income, as defined by Section 511 of the Internal Revenue Code. The provision for income taxes on such income was $1,200 and $32,470, as of December 31, 2025 and 2024, respectively. The Institute's federal returns are subject to examination by the IRS generally for a period of three years after the later of the due date of the return or the date filed. Accordingly, the returns for the years 2022 through 2024 remain subject to examination.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Institute's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The following table represents liquidity:

	December 31, 2025	December 31, 2024
Financial assets:		
Cash and cash equivalents	$ 775,727	$ 3,017,215
Investments	607,139	258,138
Promises to give–net	1,538,473	1,465,384
Long-term investments	13,364,777	14,626,858
Financial assets, at year end	16,286,116	19,367,595
Less those unavailable for general expenditures within one year, due to:		
Common stock of unregistered company	(5,000,000)	(5,657,400)
Restrictions by donors with time and purpose restrictions subject to release beyond one year	(8,491,338)	(7,436,185)
	(13,491,338)	(13,093,585)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,794,778	$ 6,274,010

The Institute has certain donor-restricted net assets that are available for general expenditures within one year of December 31, 2025 and 2024, because the restrictions are expected to be met by conducting the normal activities of the Institute in the coming year. Additionally, the Institute's restrictions by donors with purpose restrictions subject to release beyond one year are reported net of any estimated endowment appropriations of approximately $35,000 and $25,000 as of December 31, 2025 and 2024, respectively, and net of time restricted donor restricted net assets to be received next fiscal year in the amount of $422,256 and $1,103,087 as of December 31, 2025 and 2024, respectively.

4. LAND, BUILDING, AND EQUIPMENT:

Land, building and equipment consists of the following:

	December 31, 2025	December 31, 2024
Land	$ 1,080,000	$ 1,080,000
Building	6,160,404	6,155,544
Furniture, fixtures, and equipment	2,247,887	2,331,755
Library books and reference materials	121,054	121,054
	9,609,345	9,688,353
Accumulated depreciation	(3,882,137)	(3,625,866)
Total land, building and equipment– net	$ 5,727,208	$ 6,062,487

5. INVESTMENTS AND FAIR VALUE MEASUREMENT:

Investments, at cost and fair value, consists of the following:

	December 31, 2025	December 31, 2024
Investments held at cost:		
Certificates of deposit	$ 607,139	$ 258,138
Investments held at fair value (Level 1):		
Money market funds	1,522,183	685,398
Mutual funds	2,971,188	3,515,162
	4,493,371	4,200,560
Investments held at fair value (Level 2):		
Fixed income funds	3,871,406	4,768,898
Investments held at fair value (Level 3):		
Common stock of unregistered company	5,000,000	5,657,400
	$ 13,971,916	$ 14,884,996

5. INVESTMENTS AND FAIR VALUE MEASUREMENT, continued:
Statements of financial position:

	December 31, 2025	December 31, 2024
Current investments	$ 607,139	$ 258,138
Long-term investments	13,364,777	14,626,858
	$ 13,971,916	$ 14,884,996

6. NET ASSETS WITH DONOR RESTRICTIONS:
Net assets with donor restrictions consist of:

	December 31, 2025	December 31, 2024
Restricted by purpose or time:		
Education	$ 4,174,648	$ 4,257,672
Campaign for building and program enhancement	2,000,000	2,000,000
Media/Poverty Center	1,716,243	1,299,134
Time restricted funds	160,823	204,562
Research	346,880	302,904
	8,398,594	8,064,272
Restricted in perpetuity:		
Novak awards (endowment)–original gift	550,000	500,000
	$ 8,948,594	$ 8,564,272

7. ENDOWMENT FUNDS:
In 2016, the Institute established The Acton Institute Endowment Fund. The fund was established with a $500,000 donor gift that will remain in perpetuity to support the Novak award. An additional fund was established for scholarships with a $50,000 donor gift that will remain in perpetuity.

The Institute is reporting the endowment in accordance with the *Reporting Endowment Funds* topic of the FASB ASC. This topic provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization and enhanced disclosure information to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy, and related investment policy of its endowment funds.

7. ENDOWMENT FUNDS, continued:

The Institute's endowment consists of a fund established to provide perpetual support for the Institute. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Michigan enacted UPMIFA effective September 15, 2009, and the Institute's board of trustees has interpreted the full provisions of UPMIFA, requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary for the years ended December 31, 2025 and 2024. As a result of this interpretation, the Institute classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Accumulated earnings are classified as net assets with donor restrictions and are investment gains waiting to be appropriated for expenditure by the Institution in a manner consistent with UPMIFA.

The Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Institute and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Institute
(7) The investment policy of the Institute

Endowment net asset composition by type of fund:

	December 31, 2025	December 31, 2024
Accumulated earnings	$ 435,779	$ 254,777
Restricted in perpetuity	550,000	500,000
Total	$ 985,779	$ 754,777

7. ENDOWMENT FUNDS, continued:

Changes in endowment net assets with donor restrictions for the year ended December 31, 2025:

	Accumulated Earnings	Original Gift Amount	Total
Endowment net assets, beginning of year	$ 254,777	$ 500,000	$ 754,777
Investment gains	202,974	-	202,974
Contributions	11,987	50,000	61,987
Appropriation for expenditure	(33,959)	-	(33,959)
Endowment net assets, end of year	$ 435,779	$ 550,000	$ 985,779

Accumulated earnings include immaterial term endowments of $208,528 as of December 31, 2025.

Changes in endowment net assets with donor restrictions for the year ended December 31, 2024:

	Accumulated Earnings	Original Gift Amount	Total
Endowment net assets, beginning of year	$ 198,848	$ 500,000	$ 698,848
Investment gains	80,046	-	80,046
Appropriation for expenditure	(24,117)	-	(24,117)
Endowment net assets, end of year	$ 254,777	$ 500,000	$ 754,777

Accumulated earnings include immaterial term endowments of $196,551 as of December 31, 2024.

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported within net assets with donor restrictions. There were no fund deficiencies as of December 31, 2025 and 2024.

7. ENDOWMENT FUNDS, continued:

RISK PARAMETERS AND STRATEGIES EMPLOYED FOR ACHIEVING RETURN OBJECTIVES
The investment policy will voluntarily conform to the evolving prudent investor provisions of UPMIFA and other fiduciary responsibilities pertaining to the investment of the Institute's assets. The policy will be reviewed at least annually to ensure the policy is still consistent with the Institute's financial needs and tolerance for assuming investment and financial risk.

The Institute's broad investment objectives include:

- Preserving the long-term, real purchasing power of the assets while providing a relatively predictable and growing stream of annual distributions.
- Achieving maximum long-term growth through equity investments and generating stable returns with fixed income investments.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY
The Institute will fund distributions using a total-return based spending policy. The general spending or distribution policy, as approved by the Board of Directors, is a rate of up to 4% of the average market values of the endowment investments over the last 12 quarters. The earnings on the net assets with donor restrictions-held in perpetuity are used to fund the Novak award.

8. RETIREMENT PLAN:

The Institute has an employee benefit plan (the Plan) under Section 401(k) of the Internal Revenue Code for substantially all of its employees who meet the eligibility requirements. The Institute may make contributions to the plan based on management's discretion. During the years ended December 31, 2025 and 2024, the Institute made discretionary contributions of $-0-. The Institute matches 100% of a participant's elective contributions up to the first $5,000. Total matching contributions to the plan were $164,608 and $165,293 for the years ended December 31, 2025 and 2024, respectively. The Institute's obligation is limited to contributions made for the benefit of participating employees.

9. CONCENTRATIONS:

One funding source provided approximately 9% of total revenue for the years ended December 31, 2025 and 2024.

10. RELATED PARTY TRANSACTIONS:

The Institute received $255,997 and $584,772, in contributions from members of the board of directors during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, $-0- and $250,000 of the contributions were recorded as a promise to give on the statements of financial position, respectively.

11. CONDITIONAL PROMISES TO GIVE:

During 2025, the Institute received restricted grants totaling $1,500,000 that contained donor conditions. Since these grants represent conditional promises to give, they are not recorded as contribution revenue until donor conditions are met. No funds were received from the donor in advance of the conditions being met.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 30, 2026, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.