

Memorandum

To: 2026 Council

From: Abhi Mehrotra, MD, MBA, FACEP
Secretary-Treasurer

Date: September 1, 2026

Subj: Fiscal Year 2025-26 Financial Report (Unaudited)

These are preliminary financials for the year ending June 30, 2026. The report is subject to adjustment in preparation for the FY26 audit.

Key Take Aways

- The second payment from the US Treasury for \$1,286,563 was received in April 2026 satisfying all outstanding ERTC claims.
- The FY25 Audit & Form 990 were completed and filed in May and June, respectively. A federal single audit was not required in 2025.
- ACEP retired all outstanding mortgage debt in April 2026 following Board approval. Funds were transferred from investments for the payoff. ACEP saved interest of \$167K, net of projected investment earnings, and avoids a \$1.6MM balloon payment and related costs in November 2028.
- Assets were \$38.7MM at year-end, decreasing by (\$3.9MM) compared to June 2025 with the largest changes in AR (\$2.7MM), cash (\$1.1MM) and investments (\$1MM), offset by increases in prepaid expenses \$1.3MM and fixed assets \$300K.
- Liabilities were \$18.7MM, decreasing by (\$5.2MM) since June 2025, with the biggest changes to deferred revenue (\$2.7MM), payroll liability (\$1.1MM), mortgage payable (\$1.7MM) and Chapter and PAC liabilities (\$409K). Members' equity increased by \$1.3MM.
- An infusion from investments of \$1.5MM (previously approved by the Board to fund the AMS system) was transferred from the investments account in June 2026. The full project cost was estimated at \$4.4MM over a 24 month period. The AMS implementation is now in full swing with a go-live date of April 2027.
- The Board approved the FY 2026-27 budget. The rolling cash forecast has been updated to incorporate the approved FY27 budget. Cost cutting resulted in an approved budget for FY27 that is breakeven following the FY26 deficit budget. **Looking ahead, ACEP's must focus on revenue growth and sustainability due to continued resource constraints and cost cuts over several years.**
- Net operating income for FY26 was (\$1.2MM), which was (\$40K), or (3%) below the budget of (\$1,176,917). After inclusion of unrealized investment gains of \$2.5MM, the excess revenue over expense was \$1.3MM, an improvement over budget of \$1.8MM.

Variance Comments

Revenue

Total revenue exceeded budget by \$123K, with six of nine operating revenue channels exceeding budget.

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Membership Dues – Membership revenue at \$14.7MM was (\$106K) below budget and \$97K higher than FY25. Membership numbers are improving, and retention and growth rate are up year-over-year.

Meetings and Events – Meetings and events revenue at \$9.4K, was (\$5001K) below budget, and (\$967K) below FY25, all attributable to ACEP25. Impacts were chiefly due to the new location in Salt Lake City and the timing of the event just after Labor Day due to displacement from Dallas, impacting registration revenue.

Business Development, Royalites and Advertising, Product Sales, EMDI, Grants and Association Management all met and exceeded budget.

Emergency Medicine Data Institute (EMDI) Revenue – EMDI revenue at \$6.6MM was \$737K better than budgeted and \$145K more than FY24. There were more customer dashboards and submissions implemented than budgeted.

Grants – Grant Revenue at just under \$3MM exceeded budget by \$234K. This is a decrease from the prior year of (\$1.7MM).

Association Management – Revenue at \$703K was just above budget and \$542K below FY25. ACEP took over management of International Trauma Life Support in January 2026. EMRA transferred financial services to EWALD as of January 31, 2025.

Accreditation Revenue – The Accreditation Program was (\$497K) below budgeted revenue due to the delayed EDAC launch but \$224K better than FY25. In addition, there has been slower progress in the international space, but accreditation has been diligent in keeping expenses down.

	ACTUALS	BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
	FY26 06/26 YTD	FY26 06/26 YTD	Fav/(Unfav) Variance	FY25 06/25 YTD	Fav/(Unfav) Year over Year Variance
REVENUES					
Membership Dues	\$ 14,669,235	\$ 14,775,033	(105,798)	\$ 14,571,981	\$ 97,254
Meetings and Events	9,422,090	9,923,180	(501,090)	10,388,843	(966,753)
Business Development	736,070	695,000	41,070	703,515	32,555
Royalties and Advertising	2,074,540	2,018,080	56,460	2,026,634	47,906
Product Sales	1,917,658	1,764,848	152,810	1,704,421	213,237
EM Data Institute Revenue	6,637,494	5,900,000	737,494	6,492,764	144,730
Grants	2,981,986	2,748,342	233,644	4,643,235	(1,661,249)
Association Management	703,651	697,597	6,054	1,245,346	(541,695)
Accreditation Revenue	912,405	1,409,750	(497,345)	688,726	223,679
TOTAL REVENUES	40,055,129	39,931,830	123,300	42,465,465	(2,410,336)

Expenses

Total expenses at \$41.3M exceeded budget by (\$163K), which was less than (1%). Most expense categories were below budget except for Professional Fees, Maintenance and Software, Cost of Products Sold, Cost Reimbursements/Interdepartmental Overhead, Interest Expense and Allowance for Bad Debts.

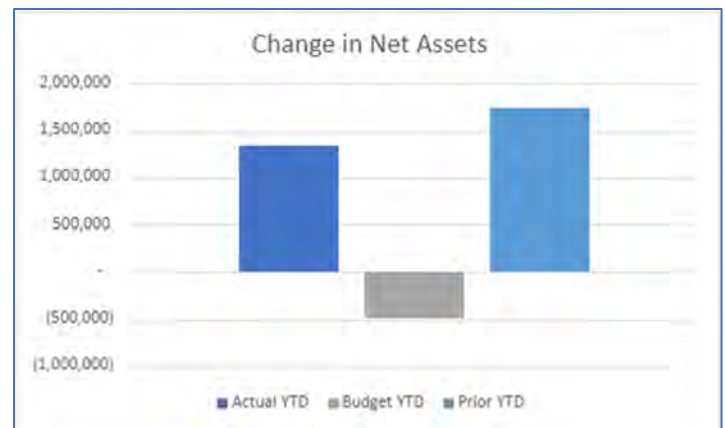
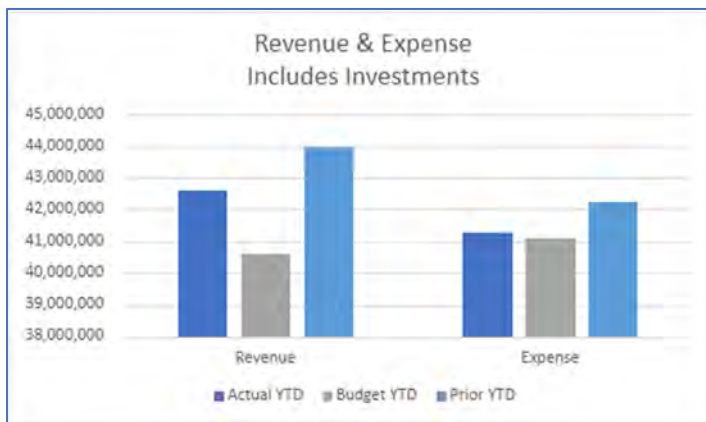
Professional Fees – Professional fees decreased by \$722,000 from FY25 and were over budget by \$1.2MM in FY25. This is across various areas but includes EMDI costs that are offset by additional revenue, recruitment fees budgeted in FY25, FY24 single audit costs, ACEP25, and Finance due to YPTC only being budgeted until September 2025. Legal fees are over budget by (\$260K).

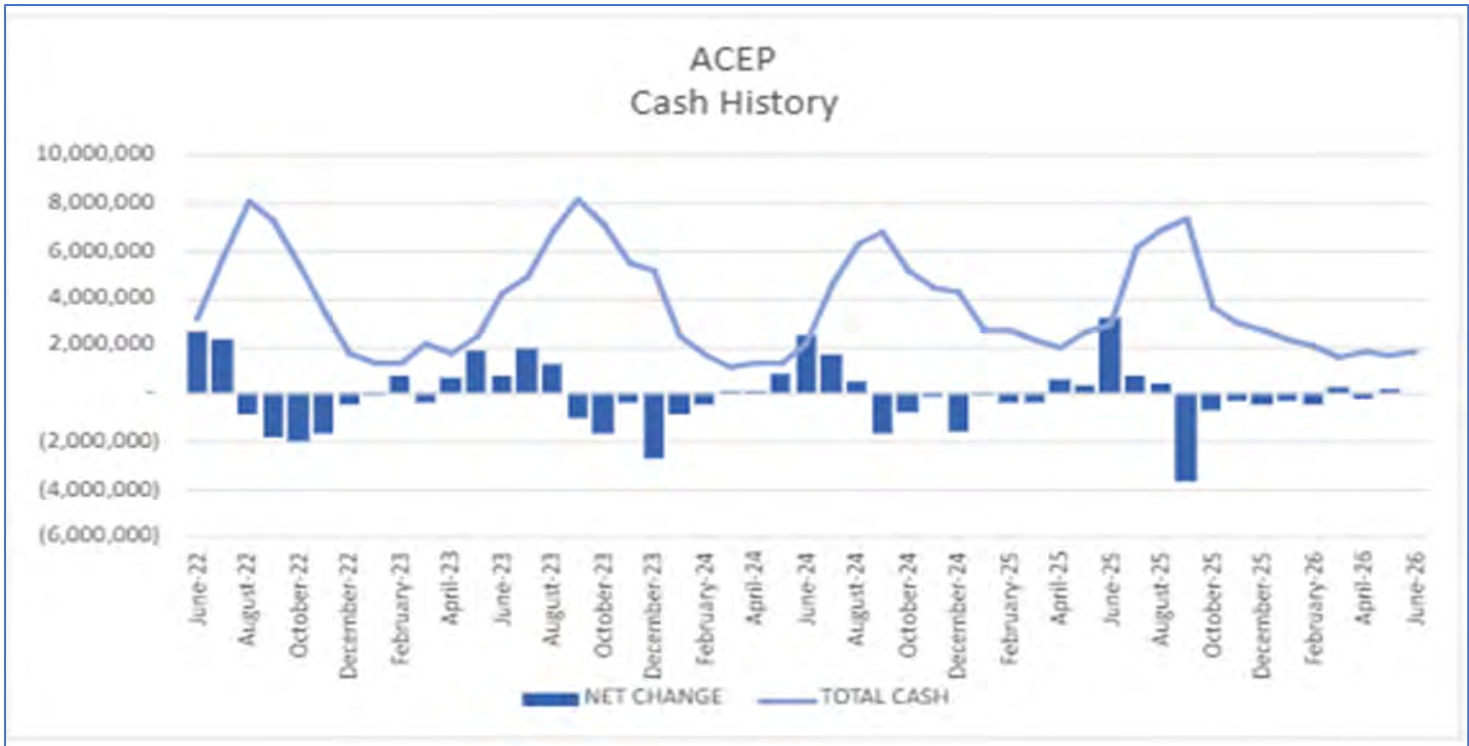
Maintenance and Software – Overbudget by (\$123K) primarily due to EMDI software maintenance expenses.

Other Expense – Cost Reimbursement/Interdepartmental Overhead are internal allocations that shift costs between departments and to grants. The allocated amount budgeted was too high. The Interest Expense category was for mortgage interest, with the variance due to a budget error. Allowance for bad debts was for uncollected receivables 12 months or more past due, and unbudgeted cost.

	ACTUALS	BUDGET COMPARATIVE		PRIOR YEAR COMPARATIVE	
			Fav/(Unfav)		Fav/(Unfav) Year
	FY26 06/26 YTD	FY26 06/26 YTD	Variance	FY25 06/25 YTD	over Year Variance
EXPENSE					
Personnel Expense	19,564,307	19,887,766	323,460	19,638,629	74,322
Professional Fees	7,009,995	5,819,776	(1,190,219)	7,732,145	722,150
Facilities	4,667,639	4,707,210	39,572	5,524,707	857,069
Maintenance and Software	2,994,083	2,871,395	(122,688)	2,645,495	(348,588)
Supplies, Shipping and Printing	514,145	721,302	207,157	517,917	3,772
Taxes and Insurance	504,231	513,280	9,049	408,961	(95,270)
Travel	1,855,088	2,204,833	349,746	1,832,471	(22,617)
Fees	1,341,633	1,767,969	426,336	1,437,318	95,686
Stipends	1,001,542	1,120,784	119,242	1,017,958	16,416
Dues & Registration	281,589	351,298	69,709	208,068	(73,521)
Cost of Products Sold	67,579	41,766	(25,812)	123,690	56,111
Contributions and Awards	169,365	155,683	(13,682)	159,957	(9,408)
Cost Reimb. and Interdepartmental OH	(255,070)	(573,597)	(318,527)	(529,055)	(273,985)
Depreciation	1,364,445	1,479,080	114,635	1,248,362	(116,083)
Interest Expense	138,848	40,200	(98,648)	254,889	116,041
Allowance for Bad Debt	52,500	0	(52,500)	7,000	(45,500)
TOTAL EXPENSE	\$41,271,918	\$41,108,746	(\$163,172)	\$42,228,511	\$956,593
NET OPERATING INCOME	(\$1,216,789)	(\$1,176,917)	(\$39,872)	\$236,954	(\$1,453,743)
Gain (Loss) on Investments	\$2,554,742	\$681,000	\$1,873,742	\$1,504,140	\$1,050,602
NET INCOME	\$1,337,952	(\$495,917)	\$1,833,869	\$1,741,094	(\$403,141)

Net Operating Income after inclusion of investment gains of \$2.55M was \$1.34MM.





July experiences strong cash increases followed by net decreases in late fall/early winter. Cash peaks in September, drops to a low by March or April and stays in the valley until upward momentum begins in early July.