

**AMERICAN WATCHMAKERS-
CLOCKMAKERS INSTITUTE**

Financial Statements

June 30, 2025 and 2024

**AMERICAN WATCHMAKERS- CLOCKMAKERS
INSTITUTE**

Table of Contents

	<u>Page</u>
Independent Accountant’s Compilation Report	1
Financial Statements:	
Statements of Financial Position	2-3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-15
Supplementary Information:	
Schedule I- Schedules of Revenues and Gains	16-17
Schedule II- Schedules of Expenses	18-20

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Board of Directors
American Watchmakers- Clockmakers Institute
Harrison, OH

Management is responsible for the accompanying financial statements of American Watchmakers-Clockmakers Institute (a non-profit corporation), which comprise the statements of financial position as of June 30, 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 accordance with accounting principles generally accepted in the United States of America ("US GAAP"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Known Departure from Accounting Principles Generally Accepted in the United States of America

As disclosed in Note 2 to the financial statements, certain revenues are recognized on a cash basis which is not consistent with US GAAP. Management of the Institute has not performed a detailed analysis of their revenues to determine the amount of revenue earned is consistent with US GAAP for the years ended June 30, 2025 and 2024. It was not practicable to determine the effects of the improper revenue recognition on the statements of financial position, activities, and cash flows.

Supplementary Information

The supplementary information contained in Schedule I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, conclusion, nor provide any assurance on such information.

ATLAS CPAs & Advisors PLLC

Cincinnati, OH
December 19, 2025



AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 91,754	\$ 61,952
Accounts receivable, net	36,312	6,770
Inventories	75,192	89,327
Investments, at fair value	8,225,831	7,903,504
Prepaid expenses	5,770	4,883
TOTAL CURRENT ASSETS	8,434,859	8,066,436
PROPERTY AND EQUIPMENT		
Land	237,566	237,566
Building	1,142,519	1,142,519
Equipment	222,409	222,409
Building improvements	50,244	50,244
Vehicle - mobile classroom	400,308	400,308
Furnitures and fixtures	60,989	60,989
Less accumulated depreciation	(1,399,160)	(1,306,144)
TOTAL PROPERTY AND EQUIPMENT, NET	714,875	807,891
OTHER ASSETS		
Copyright	6,560	5,780
TOTAL ASSETS	\$ 9,156,294	\$ 8,880,107

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 7,906	\$ 12,538
Accounts payable - related party	-	645
Sales tax payable	88	74
Credit card	27,759	17,292
Deferred revenue	100,375	65,620
TOTAL CURRENT LIABILITIES	136,128	96,169
TOTAL LIABILITES	136,128	96,169
NET ASSETS		
Net assets without donor restrictions		
Undesignated	908,244	995,164
Board designated	8,111,922	7,788,774
TOTAL NET ASSETS	9,020,166	8,783,938
TOTAL LIABILITIES AND NET ASSETS	\$ 9,156,294	\$ 8,880,107

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2025 and 2024

	Without Donor Restrictions	
	2025	2024
REVENUE AND PUBLIC SUPPORT		
Membership	\$ 171,274	\$ 154,767
Education fees	299,005	231,715
Merchandise sales	64,488	61,300
Donations	-	4,001
Advertising revenue	41,071	62,025
Investment return, net	695,104	599,941
Other revenues	-	460
	1,270,942	1,114,209
FUNCTIONAL EXPENSES		
Program expenses	651,471	562,523
Management and general	383,243	309,573
	1,034,714	872,096
CHANGE IN NET ASSETS	236,228	242,113
NET ASSETS - BEGINNING OF YEAR	8,783,938	8,541,825
NET ASSETS - END OF YEAR	\$ 9,020,166	\$ 8,783,938

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2025

	Program Services					Supporting Services		Total
	Education	HT Magazine and Retail	Membership	Mobile Classroom	Clock/Watch Certification	Subtotal	Management and General	
Payroll expenses	\$ 216,587	\$ 90,724	\$ -	\$ -	\$ -	\$ 307,311	\$ 26,807	\$ 334,118
Professional services	-	-	-	-	-	-	70,394	70,394
Office expense	640	(563)	-	-	-	77	41,036	41,113
Information technology	-	-	-	-	-	-	24,052	24,052
Overhead	-	-	-	-	-	-	66,867	66,867
Repairs and maintenance	-	-	-	-	-	-	3,646	3,646
Insurance	-	-	-	-	-	-	11,838	11,838
Travel, lodging and meals	17,207	-	-	265	388	17,860	18,586	36,446
Meetings	-	-	-	-	-	-	9,879	9,879
Other program expenses	103,634	96,248	-	43	25,566	225,491	4,964	230,455
Cost of merchandise sold	53,479	31,669	-	-	-	85,148	9,020	94,168
Depreciation	-	-	-	-	-	-	93,017	93,017
Mobile classroom	-	-	-	15,584	-	15,584	137	15,721
Miscellaneous	-	-	-	-	-	-	3,000	3,000
Total functional expenses	\$ 391,547	\$ 218,078	\$ -	\$ 15,892	\$ 25,954	\$ 651,471	\$ 383,243	\$ 1,034,714

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

	Program Services					Supporting Services		Total
	Education	HT Magazine and Retail	Membership	Mobile Classroom	Clock/Watch Certification	Subtotal	Management and General	
Payroll expenses	\$ 152,255	\$ 88,148	\$ -	\$ -	\$ -	\$ 240,403	\$ 26,711	\$ 267,114
Professional services	-	-	-	-	-	-	50,842	50,842
Office expense	912	17,641	3,042	-	304	21,899	8,516	30,416
Information technology	-	-	-	-	-	-	13,672	13,672
Overhead	15,177	5,464	19,426	-	3,035	43,102	17,606	60,708
Repairs and maintenance	-	-	-	-	-	-	6,133	6,133
Insurance	5,666	618	2,060	-	206	8,550	1,751	10,301
Travel, lodging and meals	10,481	-	-	-	-	10,481	7,907	18,388
Meetings	-	-	-	-	-	-	13,022	13,022
Other program expenses	23,716	183,257	-	-	-	206,973	8,624	215,596
Cost of merchandise sold	20,037.00	-	-	-	-	20,037	7,913	27,950
Depreciation	-	-	-	-	-	-	96,219	96,219
Mobile classroom	380.00	-	-	10,698	-	11,078	-	11,078
Miscellaneous	-	-	-	-	-	-	46,205	46,205
Interest	-	-	-	-	-	-	4,452	4,452
Total functional expenses	\$ 228,624	\$ 295,128	\$ 24,528	\$ 10,698	\$ 3,545	\$ 562,523	\$ 309,573	\$ 872,096

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 236,228	\$ 242,113
Adjustments to reconcile change in net assets with cash flow from operations:		
Depreciation	93,017	96,219
Realized (gains) losses on sale of investments	(49,233)	29,256
Unrealized gains on investments	(435,924)	(434,011)
(Increase) decrease in:		
Accounts receivable, net	(29,542)	109,299
Prepaid expenses	(887)	(11)
Inventories	14,135	(8,716)
Increase (decrease) in:		
Accounts payable	(4,632)	(6,537)
Accounts payable - related party	(645)	(3,037)
Accrued expenses	10,481	1,244
Deferred revenue	34,755	22,117
	<u>(132,247)</u>	<u>47,936</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(16,627)
Proceeds from sale of investments	2,700,330	1,692,775
Purchase of investments	(2,538,281)	(1,516,201)
	<u>162,049</u>	<u>159,947</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on margin loan account - Charles Schwab	-	(175,926)
	<u>-</u>	<u>(175,926)</u>
NET CASH USED BY FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	29,802	31,957
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>61,952</u>	<u>29,995</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 91,754</u>	<u>\$ 61,952</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 15,881</u>

The accompanying notes are an integral part of the financial statements.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 - NATURE OF OPERATIONS

America Watchmakers-Clockmakers Institute (the Institute) is a trade organization for professionals in watchmaking, watch repair, clockmaking and clock repair. The Institute operates as a not-for-profit organization, exempt from taxation under Internal Revenue Code Section 501 (c)(6). The Institute receives membership dues, tuition and advertising revenues and provides members access to education and certifications. Members are also provided with The Horological Times Publication.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Institute's financial statements. The policies conform to generally accepted accounting principles and have been consistently applied. The financial statements and notes are representations of the Institute's management who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting except for revenue recognition as explained below under Revenue Recognition.

Basis of Presentation

The Institute's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Institute's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Institute or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Institute currently does not have net assets with restrictions that are perpetual in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Institute's ongoing programs. Non-operating activities include other activities considered to be of a more unusual or nonrecurring nature. All activities of the Institute were operating activities for the years ended June 30, 2025 and 2024.

Cash and Cash Equivalents

The Institute considers all cash and highly liquid investments with original maturities of three months or less, that are not designated for a specific purpose, to be cash equivalents for cash flow statement classification purposes. Money market accounts in investments are not included in cash and cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Concentration of Credit Risk

The Institute maintains cash in bank deposit accounts, which at times may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000 per depositor at each insured financial institution. The Company's cash in bank did not exceed federal insured limits as of June 30, 2025 and 2024, respectively. Management considers this risk to be mitigated by the bank's high credit rating and has not experienced any losses on such accounts.

Accounts Receivable

Accounts receivable are stated at the amount expected to be collected from the balances outstanding at the year-end. It is the opinion of management that all accounts receivable are collectable; therefore, an allowance for doubtful accounts has not been provided for in these financial statements.

Investments

Investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Inventories

Inventories consist of published books, periodicals and classroom materials valued at the lower of cost or net realizable value on a first in/first out basis.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Expenditures greater than \$500 for land, building, and equipment are capitalized at cost when acquired. Donated property and equipment are valued at the approximate fair value on the date of donation. Normal repairs and maintenance are expensed as incurred. Land, by its nature, is neither depreciated or amortized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Furniture and Equipment	3-10 Years
Vehicle-Mobile Classroom	10 Years

Depreciation expense was \$93,017 and \$96,219 for the years ended June 30, 2025 and 2024, respectively.

Donated Assets and Property and Equipment

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Institute reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Institute did not receive any donated property and equipment during the years ended June 30, 2025 and 2024.

Revenue Recognition

Membership dues are recognized as income when received. The payments vary based on annual membership. Management of the Institute has not performed a detailed analysis of their revenues to determine the amount of revenue earned consistent with US GAAP for the years ended June 30, 2025 and 2024. It was not practical to determine the effects of the improper revenue recognition on the financial statements. Contributions received are measured at their fair values and are reported as increases in net assets. Revenues from sources other than contributions are reported as increases in net asset without donor restrictions unless use of the related assets is limited by donor-imposed restrictions, or if they are designated as support for future periods.

Allocation of Functional Expenses

The costs of program, management supporting service, and fundraising activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Management, on an equitable basis that reflects time and effort, determines such allocations. Expenses are directly applied when applicable. The following expenses include allocated expenses based on a periodic

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

review performed by management: professional services, payroll, office, information technology, overhead, repairs and maintenance, insurance, travel, meetings, depreciation and interest.

For the year ended June 30, 2025, approximately 63% of the Institute's total expenses related to program services, 37% to management and general services, and 0% to fundraising activities. For the year ended June 30, 2024, approximately 65% of the Institute's total expenses related to program services, 35% to management and general services, and 0% to fundraising activities.

Income Taxes

The Institute is an Ohio nonprofit corporation and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Institute has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report any unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Institute has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements as of June 30, 2025 and 2024.

Advertising Costs

The Institute expenses advertising costs as they are incurred. Advertising costs were \$1,364 and \$1,516 for the years ended June 30, 2025 and 2024, respectively.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following reflects the Institute's financial assets as of June 30, 2025 and 2024 reduced by amounts not available for general use within one year of the balance sheet date. Amounts not available include amounts set aside as Board designated net assets (see Note 5) that could be drawn upon if the governing board approves that action.

	<u>2025</u>	<u>2024</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 91,754	\$ 61,952
Investments, at fair value	8,225,831	7,903,504
Accounts receivable, net	<u>36,312</u>	<u>6,770</u>
	8,353,897	7,972,226
Less those unavailable for general expenditures within one year:		
Board designated assets	<u>(8,111,922)</u>	<u>(7,788,774)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 241,975</u>	<u>\$ 183,452</u>

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 4 - INVESTMENTS

The Institute's investments consist of common stocks, money market funds and corporate bonds. All of the investments are valued based on Level 1 for fair value measurements. Investments are stated at fair value of June 30 2025 and 2024, and are summarized as follows:

	2025	
	Cost	Fair Value
Money Market Funds	\$ 102,989	\$ 102,989
Fixed Income	2,937,383	2,926,879
Equity Securities	3,724,316	5,195,963
Total Investments	\$ 6,764,688	\$ 8,225,831

	2024	
	Cost	Fair Value
Money Market Funds	\$ 87,822	\$ 87,822
Fixed Income	3,162,913	3,080,635
Equity Securities	3,581,537	4,735,047
Total Investments	\$ 6,832,272	\$ 7,903,504

Due to the marketability of the investments all are considered current assets. Proceeds from all sales are immediately reinvested. Dividends and interest earnings are recorded as investment income. The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2025 and 2024:

	Without Donor Restrictions	
	2025	2024
Interest Income	\$ 117,752	\$ 111,887
Dividend Income	92,195	83,299
Realized Gains (Losses)	49,233	(29,256)
Unrealized Gains	435,924	434,011
Total Investment Return, Net	\$ 695,104	\$ 599,941

See note 6 for disclosure of the margin loan account with the investment broker.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 5 - BOARD DESIGNATED NET ASSETS

Net assets without donor restrictions also include the James M. Dodson Perpetuation Fund, derived from the sale of the Packard Watch Collection. Earnings received from the investment principle is to be used for the benefit of the membership. The Institute’s Board of Directors established the corpus of the Board Designated fund at \$7,100,000 at its inception.

The following schedule summarizes the changes in the Board Designated fund as of June 30, 2025 and 2024:

	Without Donor Restrictions	
	2025	2024
Net assets - board designated, beginning of year	\$ 7,788,774	\$ 7,560,789
Investment returns, net	695,104	599,941
Appropriation of fund assets for expenditure	(371,956)	(371,956)
Net assets - board designated, end of year	\$ 8,111,922	\$ 7,788,774

NOTE 6 – LINE OF CREDIT

The Institute entered into a margin loan account agreement with its investment broker in April 2021. An initial amount of \$600,250 was borrowed, bearing interest at the base rate determined by the investment broker and secured by the equity investments in the brokerage account. The interest rate at June 30, 2025 was 6.0%. The outstanding balance at June 30, 2025 and 2024 was \$-0-.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Institute’s board appoints members to the board of a related entity, ELM Trust. ELM Trust is a 501 (c)(3) organization that provides educational support to the Institute and its members. The ELM Trust financial information is not combined or consolidated in these financial statements. The Institute receives contributions from time to time that are partially or wholly designated to the ELM Trust. At June 30, 2025 and 2024 the Institute had accounts payable to the ELM Trust of \$0 and \$645, respectively. The ELM Trust made contributions to the Institute of \$0 and \$2,000 during the years ended June 30, 2025 and 2024, respectively.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 8 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Agencies group assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- quoted prices for similar assets/liabilities in active markets;
- quoted prices for identical or similar assets in non-active markets;
- inputs other than quoted prices that are observable for the asset or liability; and,
- inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2015.

Common stocks, money market fund, corporate bond and U.S. governmental securities: Values at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Institute believes its valuation techniques are appropriate and consistent with other organizations, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 9 – RISKS AND UNCERTAINTIES

The Institute's investments consist of equity and fixed income mutual funds, and other marketable securities. Investment securities are exposed to various risks, such as credit, market and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2025 and 2024. Investments are managed by the Board of Directors with advice and assistance from investment professionals.

AMERICAN WATCHMAKERS- CLOCKMAKERS INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 10 - SUBSEQUENT EVENTS

Management reviews events and transactions occurring subsequent to the date of the financial statements for matters requiring potential recognition or disclosure in the financial statements. The Institute has evaluated subsequent events through December 19, 2025, the date the financial statements were available to be issued. Management has determined that no subsequent events require disclosure.

SUPPLEMENTAL INFORMATION

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE I
SUPPLEMENTAL SCHEDULES OF REVENUES AND GAINS
For the years ended June 30, 2025 and 2024

	2025	2024
MEMBERSHIP DUES		
Active members dues	\$ 155,124	\$ 138,367
Industry advisory board	12,250	12,500
Affiliate chapter dues	2,400	2,400
Research and educational council	1,500	1,500
TOTAL MEMBERSHIP DUES	171,274	154,767
EDUCATION FEES		
Bench courses	17,245	49,870
Fall Symposium/Annual Meeting	25,675	22,040
Academy	256,085	159,805
TOTAL EDUCATION FEES	299,005	231,715
ADVERTISING REVENUE		
Display	34,082	54,267
Classified	6,989	7,758
TOTAL ADVERTISING REVENUE	41,071	62,025
MERCHANDISE SALES		
Books	60,474	54,298
Media	4,014	7,002
TOTAL MERCHANDISE SALES	64,488	61,300
OTHER REVENUES		
Individual contribution	-	2,001
ELM trust contributions	-	2,000
Miscellaneous	-	460
TOTAL OTHER REVENUES	-	4,461
TOTAL SUPPORT FROM OPERATIONS	575,838	514,268

See independent accountant's compilation report

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE I
SUPPLEMENTAL SCHEDULES OF REVENUES AND GAINS
For the years ended June 30, 2025 and 2024

	2025	2024
INVESTMENT RETURN, NET		
Interest income	\$ 117,752	\$ 111,887
Dividend income	92,195	83,299
Realized gains (losses)	49,233	(29,256)
Unrealized gains	435,924	434,011
TOTAL INVESTMENT RETURN, NET	695,104	599,941
TOTAL REVENUE AND PUBLIC SUPPORT	\$ 1,270,942	\$ 1,114,209

See independent accountant's compilation report

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE II
SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES
For the years ended June 30, 2025 and 2024

	2025	2024
PAYROLL EXPENSES		
Salaries and wages	\$ 307,310	\$ 242,875
Payroll taxes	26,216	23,720
Other employee benefit	592	519
TOTAL PAYROLL EXPENSES	334,118	267,114
PROFESSIONAL SERVICES		
Accounting	18,066	20,599
Legal	10,045	6,097
Ohio annual report	-	4,675
Election balloting	5,074	2,663
Investment management	36,249	16,808
TOTAL PROFESSIONAL SERVICES	70,394	50,842
OFFICE EXPENSES		
Payroll processing	1,473	2,005
Bank charges	389	420
Advertising and marketing	1,364	1,516
Office supplies	3,183	1,936
Dues and subscriptions	3,582	2,030
Postage and shipping	6,722	7,342
Credit card fees	24,400	14,782
Licenses and fees	-	385
TOTAL OFFICE EXPENSES	41,113	30,416
INFORMATION TECHNOLOGY		
IT Support	5,577	5,370
Software	15,733	6,040
Website	2,742	2,262
TOTAL INFORMATION TECHNOLOGY	24,052	13,672

See independent accountant's compilation report

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE II
SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES
For the years ended June 30, 2025 and 2024

	2025	2024
OVERHEAD		
Telephone	10,487	9,732
Cleaning and supplies	3,457	2,485
Real estate taxes	28,169	27,761
Utilities	17,503	16,342
Lawn care	5,198	2,384
Alarm and security	2,053	2,004
TOTAL OVERHEAD	66,867	60,708
REPAIRS & MAINTENANCE		
Repairs and maintenance building	3,646	6,133
TOTAL REPAIRS & MAINTENANCE	3,646	6,133
TRAVEL, LODGING AND MEALS		
Staff travel and lodging	24,727	14,266
Committee travel and lodging	1,286	-
Vehicle expense	531	-
Staff meals	9,902	4,122
TOTAL TRAVEL, LODGING AND MEALS	36,446	18,388
ANNUAL MEETING		
Registrations	157	-
Venue and meals	-	210
Travel and lodging	9,522	9,512
Delegate travel	200	1,842
Marketing	-	264
Supplies	-	1,194
TOTAL ANNUAL MEETING	9,879	13,022

AMERICAN WATCHMAKERS - CLOCKMAKERS INSTITUTE
SCHEDULE II
SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES
For the years ended June 30, 2025 and 2024

	2025	2024
INSURANCE		
Insurance	11,231	9,977
Liability insurance	607	-
Employee bond	-	324
TOTAL INSURANCE	11,838	10,301
 OTHER PROGRAM EXPENSES		
Instructor	43,809	31,209
Assessor	16,280	11,365
Royalties	1,678	2,841
JCK logistics	2,001	2,416
Classroom rent	-	675
Education certification supply	40,831	24,746
Book and media production	1,036	1,932
Student meals	4,263	5,057
BAW supplies	-	3,919
Magazine publishing	67,215	78,308
Writer fee	21,499	29,553
Editing	6,377	6,852
Mobile classroom	15,721	11,078
Assessor travel and lodging	7,815	5,338
Assessor meals	1,548	406
Fall Symposium	16,103	10,759
Membership	-	112
Complimentary services	-	108
TOTAL OTHER PROGRAM EXPENSES	246,176	226,674
 MISCELLANEOUS EXPENSE		
	3,000	46,205
 COST OF MERCHANDISE SOLD		
Book purchases	12,723	10,225
Media purchases (refunds)	(832)	7,535
Merchandise purchases (refunds)	15,500	(598)
Build a Watch	62,625	8,983
Shopify fee	4,152	1,805
TOTAL COST OF MERCHANDISE SOLD	94,168	27,950
 INTEREST		
	-	4,452
 DEPRECIATION		
	93,017	96,219
 TOTAL FUNCTIONAL EXPENSES	\$ 1,034,714	\$ 872,096

See independent accountant's compilation report