

Assurance

● **EMERGENCY NURSES ASSOCIATION AND AFFILIATE**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Finance Committee
of Emergency Nurses Association

Opinion

We have audited the accompanying consolidated financial statements of Emergency Nurses Association and Affiliate (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emergency Nurses Association and Affiliate as of December 31, 2022 and 2021, 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 Emergency Nurses Association and Affiliate 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.

Adoption of New Accounting Standard

As discussed in Note 2 of the financial statements, for the year ended December 31, 2022, Emergency Nurses Association and Affiliate adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this 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 Emergency Nurses Association and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Emergency Nurses Association and Affiliate'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 Emergency Nurses Association and Affiliate'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented on pages 32-42 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF Mueller

Elgin, Illinois
July 20, 2023

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,809,627	1,425,562
Accounts receivable, net	1,845,317	1,435,075
Grants receivable	27,673	18,412
Other receivables	1,298,083	67,184
Current portion of mortgage receivable	60,844	62,345
Inventory	50,717	54,522
Current portion of prepaid expenses	461,855	649,321
Total current assets	5,554,116	3,712,421
Property and equipment, net	12,731,743	12,082,265
Other assets:		
Prepaid expenses, net of current portion	534,782	563,151
Mortgage receivable, net of current portion	1,695,852	1,751,404
Interest rate swap asset	257,642	-
Split-dollar life insurance asset	915,090	-
Right of use assets under operating lease agreements	365,691	-
Investments	17,300,328	25,267,700
Total assets	\$ 39,355,244	43,376,941

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities:		
Accounts payable	\$ 675,207	728,160
Wages and benefits payable	812,311	1,114,853
Accrued expenses	508,277	459,297
Credits on customer accounts	93,339	48,295
Assessments payable	819,231	741,500
Line of credit	1,099,209	-
Current portion of deferred revenue	3,412,453	2,569,221
Current portion of obligations under operating leases	83,846	-
Current portion of bond payable	<u>338,132</u>	<u>337,859</u>
Total current liabilities	<u>7,842,005</u>	<u>5,999,185</u>
Long-term liabilities:		
Line of credit	-	1,099,209
Interest rate swap agreement	-	705,820
Deferred revenue, net of current portion	1,401,148	1,328,824
Obligations under operating leases, net of current portion	276,207	-
Bond payable, net of current portion	<u>8,196,941</u>	<u>8,535,073</u>
Total long-term liabilities	<u>9,874,296</u>	<u>11,668,926</u>
Total liabilities	<u>17,716,301</u>	<u>17,668,111</u>
Net assets:		
Without donor restrictions:		
Undesignated	17,356,153	20,831,482
Board-designated	<u>2,241,587</u>	<u>2,649,255</u>
Total without donor restrictions	19,597,740	23,480,737
With donor restrictions	<u>2,041,203</u>	<u>2,228,093</u>
Total net assets	<u>21,638,943</u>	<u>25,708,830</u>
Total liabilities and net assets	<u>\$ 39,355,244</u>	<u>43,376,941</u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:						
Courses	\$ 15,736,924	-	15,736,924	14,625,186	-	14,625,186
Membership dues	4,550,348	-	4,550,348	4,802,544	-	4,802,544
Conferences	2,585,904	-	2,585,904	845,318	-	845,318
Publications	561,578	-	561,578	583,347	-	583,347
Marketplace	414,477	-	414,477	418,567	-	418,567
Sponsorships	397,475	-	397,475	296,300	-	296,300
Royalties	205,647	-	205,647	214,572	-	214,572
Other	229,544	-	229,544	192,629	-	192,629
Grants	165,751	-	165,751	83,011	-	83,011
Paycheck Protection Program grant revenue	-	-	-	1,938,315	-	1,938,315
Employee Retention Credit grant revenue	1,283,954	-	1,283,954	-	-	-
Special event revenue	67,325	-	67,325	9,276	-	9,276
Mailing lists	55,354	-	55,354	31,633	-	31,633
Contributions	285,759	358,752	644,511	322,304	603,575	925,879
Donated services	80,000	-	80,000	-	-	-
Net assets released from restrictions	264,089	(264,089)	-	269,842	(269,842)	-
Total support and revenue	<u>26,884,129</u>	<u>94,663</u>	<u>26,978,792</u>	<u>24,632,844</u>	<u>333,733</u>	<u>24,966,577</u>
Expenses:						
Programs, grants, and scholarships	<u>19,183,762</u>	-	<u>19,183,762</u>	<u>15,361,958</u>	-	<u>15,361,958</u>
Supporting services:						
Management and general	8,983,708	-	8,983,708	7,722,288	-	7,722,288
Fundraising and development	74,437	-	74,437	89,446	-	89,446
Total supporting services	<u>9,058,145</u>	-	<u>9,058,145</u>	<u>7,811,734</u>	-	<u>7,811,734</u>
Total expenses	<u>28,241,907</u>	-	<u>28,241,907</u>	<u>23,173,692</u>	-	<u>23,173,692</u>
Change in net assets - before other income	<u>(1,357,778)</u>	<u>94,663</u>	<u>(1,263,115)</u>	<u>1,459,152</u>	<u>333,733</u>	<u>1,792,885</u>
Other income (expense)						
Interest income	15,186	-	15,186	-	-	-
Interest expense	(365,951)	-	(365,951)	(362,841)	-	(362,841)
Investment return, net	(3,131,528)	(281,553)	(3,413,081)	2,402,217	219,239	2,621,456
Gain on interest rate swap agreement	963,462	-	963,462	504,153	-	504,153
Loss on disposal	(6,388)	-	(6,388)	-	-	-
Total other income	<u>(2,525,219)</u>	<u>(281,553)</u>	<u>(2,806,772)</u>	<u>2,543,529</u>	<u>219,239</u>	<u>2,762,768</u>
Change in net assets	(3,882,997)	(186,890)	(4,069,887)	4,002,681	552,972	4,555,653
Net assets, beginning of year	<u>23,480,737</u>	<u>2,228,093</u>	<u>25,708,830</u>	<u>19,478,056</u>	<u>1,675,121</u>	<u>21,153,177</u>
Net assets, end of year	<u>\$ 19,597,740</u>	<u>2,041,203</u>	<u>21,638,943</u>	<u>23,480,737</u>	<u>2,228,093</u>	<u>25,708,830</u>

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	SUPPORTING SERVICES			TOTAL
	PROGRAMS, GRANTS, AND SCHOLARSHIPS	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
Payroll expenses:				
Salaries and wages	\$ 6,656,305	3,889,928	-	10,546,233
Employee benefits	915,135	533,272	-	1,448,407
Payroll taxes	483,264	262,307	-	745,571
Total payroll expenses	<u>8,054,704</u>	<u>4,685,507</u>	<u>-</u>	<u>12,740,211</u>
Operating expenses:				
Advertising and promotion	132,236	38	-	132,274
Bank charges and credit card processing fees	-	471,242	1,744	472,986
Discount on sales	84,600	-	-	84,600
Bad debt expense	2,544	-	-	2,544
Computer	233,295	1,163,669	7,540	1,404,504
Conferences	2,245,548	389,720	3,012	2,638,280
Cost of goods sold	1,376,776	-	-	1,376,776
Depreciation and amortization	410,631	122,673	9,521	542,825
Fulfillment and warehousing services	211,580	-	-	211,580
Grants and scholarships	425,310	2,750	-	428,060
Insurance	71,890	54,146	-	126,036
Miscellaneous	132,097	89,730	-	221,827
Postage, freight, and shipping	263,722	5,180	145	269,047
Printing	258,395	18,457	936	277,788
Professional services	1,366,485	675,410	9,500	2,051,395
Provision for UBIT	63,055	-	-	63,055
Public relations	11,685	-	-	11,685
Recruitment fees	-	68,520	-	68,520
Stipends	145,017	140,511	-	285,528
Supplies and equipment	51,407	146,991	5,966	204,364
Temporary workers	166,111	56,201	-	222,312
Training	56,029	201,837	-	257,866
Travel	489,144	381,995	6,075	877,214
Total operating expenses	<u>8,197,557</u>	<u>3,989,070</u>	<u>44,439</u>	<u>12,231,066</u>
Occupancy expenses:				
Building maintenance	93,976	58,933	6,371	159,280
Depreciation	137,099	85,977	9,295	232,371
Insurance	8,047	5,046	546	13,639
Real estate taxes	163,767	102,702	11,103	277,572
Rent	45,553	31,656	-	77,209
Telephone	1,520	954	103	2,577
Utilities	38,051	23,863	2,580	64,494
Total occupancy expenses	<u>488,013</u>	<u>309,131</u>	<u>29,998</u>	<u>827,142</u>
Assessment expenses:				
State/chapter membership dues	505,253	-	-	505,253
ENPC/TNCC	1,938,235	-	-	1,938,235
Total assessment expenses	<u>2,443,488</u>	<u>-</u>	<u>-</u>	<u>2,443,488</u>
Total expenses	<u>\$ 19,183,762</u>	<u>8,983,708</u>	<u>74,437</u>	<u>28,241,907</u>

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	SUPPORTING SERVICES			TOTAL
	PROGRAMS, GRANTS, AND SCHOLARSHIPS	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
Payroll expenses:				
Salaries and wages	\$ 5,662,669	3,300,382	-	8,963,051
Employee benefits	1,072,241	613,410	-	1,685,651
Payroll taxes	<u>426,189</u>	<u>233,469</u>	-	<u>659,658</u>
Total payroll expenses	<u>7,161,099</u>	<u>4,147,261</u>	-	<u>11,308,360</u>
Operating expenses:				
Advertising and promotion	116,423	720	4,048	121,191
Bank charges and credit card processing fees	-	413,239	1,413	414,652
Discount on sales	112,395	-	-	112,395
Bad debt expense	49,209	20	-	49,229
Computer	198,429	1,012,227	8,495	1,219,151
Conferences	592,822	226,844	1,000	820,666
Cost of goods sold	1,413,308	-	-	1,413,308
Depreciation and amortization	375,590	128,237	11,798	515,625
Fulfillment and warehousing services	217,472	-	-	217,472
Grants and scholarships	412,111	-	-	412,111
Insurance	74,399	47,220	-	121,619
Miscellaneous	104,234	66,175	-	170,409
Postage, freight, and shipping	286,543	3,761	4,228	294,532
Printing	227,012	8,023	275	235,310
Professional services	868,115	710,664	9,500	1,588,279
Promotion/advocacy	-	1,291	-	1,291
Provision for UBIT	11,869	-	-	11,869
Public relations	11,701	944	-	12,645
Recruitment fees	80	82,111	-	82,191
Stipends	117,700	142,000	-	259,700
Supplies and equipment	53,603	94,094	15,716	163,413
Temporary workers	80,639	17,426	-	98,065
Training	46,101	144,234	-	190,335
Travel	<u>61,825</u>	<u>151,372</u>	<u>1,017</u>	<u>214,214</u>
Total operating expenses	<u>5,431,580</u>	<u>3,250,602</u>	<u>57,490</u>	<u>8,739,672</u>
Occupancy expenses:				
Building maintenance	97,034	60,852	6,579	164,465
Depreciation	140,203	87,924	9,505	237,632
Insurance	7,223	4,530	490	12,243
Real estate taxes	184,436	115,663	12,504	312,603
Rent	41,486	28,829	-	70,315
Telephone	1,242	779	84	2,105
Utilities	<u>41,217</u>	<u>25,848</u>	<u>2,794</u>	<u>69,859</u>
Total occupancy expenses	<u>512,841</u>	<u>324,425</u>	<u>31,956</u>	<u>869,222</u>
Assessment expenses:				
State/chapter membership dues	531,398	-	-	531,398
ENPC/TNCC	<u>1,725,040</u>	-	-	<u>1,725,040</u>
Total assessment expenses	<u>2,256,438</u>	-	-	<u>2,256,438</u>
Total expenses	<u>\$ 15,361,958</u>	<u>7,722,288</u>	<u>89,446</u>	<u>23,173,692</u>

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Cash provided (used) by operating activities:		
Change in net assets	\$ (4,069,887)	4,555,653
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of property and equipment	768,223	746,011
Amortization of debt issuance costs	6,973	7,246
Gain on interest rate swap agreement	(963,462)	(504,153)
Loss on disposal of property and equipment	6,388	-
Provision for doubtful accounts	(36,279)	20,641
Realized and unrealized loss (gain) on investments	3,963,257	(1,880,247)
Contributions restricted for investment in endowments	(119,608)	(261,912)
Amortization of right of use assets under operating leases	87,108	-
Interest earned on split dollar life insurance agreement	(15,186)	-
Changes in:		
Accounts receivable, net	(373,963)	188,900
Grants receivable	(9,261)	(1,503)
Other receivables	(1,230,899)	6,869
Inventory	3,805	(19,536)
Prepaid expenses and other current assets	215,835	(254,895)
Accounts payable	(52,953)	406,533
Wages and benefits payable	(302,542)	560,482
Accrued expenses	48,980	(6,607)
Credits on customer accounts	45,044	(28,446)
Assessments payable	77,731	(81,400)
Deferred revenue	915,556	(62,903)
Obligations under operating leases	(92,746)	-
	(1,127,886)	3,390,733
Cash provided (used) by investing activities:		
Purchases of property and equipment	(1,424,089)	(943,016)
Payments received on mortgage receivable	57,053	60,251
Purchase of investments	(14,050,064)	(3,934,051)
Proceeds from sale and maturities of investments	17,266,763	1,374,187
	1,849,663	(3,442,629)

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Cash provided (used) by financing activities:		
Collections of contributions restricted for investment in endowments	119,608	261,912
Payments on bonds payable	(344,832)	(344,832)
Payments on split dollar life insurance agreement	(112,488)	-
Net cash used by financing activities	(337,712)	(82,920)
Net increase (decrease) in cash and cash equivalents	384,065	(134,816)
Cash and cash equivalents, beginning of year	1,425,562	1,560,378
Cash and cash equivalents, end of year	\$ 1,809,627	1,425,562
Noncash investing transactions:		
Initial principal amount of promissory note for collateral assignment split-dollar agreement	\$ 899,904	-
Interest accrued on split-dollar life insurance asset	\$ 15,186	-
Other cash flow information:		
Interest paid	\$ 365,951	362,841
Income taxes paid	\$ 10,000	5,000

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

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS

Emergency Nurses Association and Affiliate (Association) consists of Emergency Nurses Association (ENA) and ENA Foundation (ENAF).

ENA is a not-for-profit, professional association whose mission is to advance excellence in emergency nursing. ENA, whose national headquarters is located in Schaumburg, Illinois, was founded in 1970. Paid membership is approximately 38,500.

ENAF was established in 1991 to operate exclusively for charitable, educational, and scientific purposes relating to emergency nursing. ENAF activities benefit emergency nurses, patients, and the public through provision of undergraduate, advance practice, doctoral, and continuing education scholarships and research grants.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations.

Principles of Consolidation

The accompanying consolidated financial statements (collectively, financial statements) include the accounts of ENA and ENAF. The sole voting member of ENAF is ENA. Since ENA has control of the ENAF Board of Directors (ENAF Board), U.S. GAAP requires that the financial position and activities of both organizations be consolidated. All significant interorganizational transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Association considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts due from Trauma Nursing Core Courses (TNCC), Emergency Nursing Pediatric Courses (ENPC), the sale of advertising space in various ENA publications, and royalty arrangements with vendors for ENA educational offerings. Management reviews the aging of the course receivables to determine the level of allowance for doubtful accounts to establish against the course receivables. As of December 31, 2022 and 2021, the allowance for doubtful accounts was \$136,937 and \$173,216, respectively. No allowance was deemed necessary for non-course receivables as of December 31, 2022 and 2021.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory

Inventory, which consists of course manuals and ENA merchandise, is carried at the lower of cost or net realizable value with cost being determined by the first-in, first-out (FIFO) method. As of December 31, 2022 and 2021, no allowance for obsolete or excess inventory was recorded.

Property and Equipment

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. The Association capitalizes property and equipment over \$5,000 that have a useful life of more than one year. Depreciation and amortization of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. The useful lives of property and equipment for purposes of computing depreciation and amortization are as follows:

Buildings	40 years
Building improvements	30 - 40 years
Equipment	5 years
Program development	3 - 7 years
Furniture and fixtures	15 years
Computer software	3 - 7 years

Investments

Long-term and short-term investments in marketable securities with readily determinable fair values are presented in the financial statements at fair value. Short-term investments are those with a maturity of greater than three months but no more than one year. Long-term investments with a maturity of greater than one year are mutual funds or equity securities. The fair values of investments are based on quoted market prices, when available, for those investments. Both realized and unrealized gains and losses are reported as investment income in the consolidated statement of activities and changes in net assets. The Association's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the values of investments will occur in near term that will materially affect the amounts reported in the consolidated statements of activities and changes in net assets.

Credits on Customer Accounts

Credits on customer accounts represent overpayments on accounts of ENA course directors relating to course fees. These overpayments are not automatically refunded, but instead are held on the account until the course director provides instruction as to the disposition of the credit. The credits are typically applied to future courses.

Assessments Payable

Assessments payable are amounts due to ENA State Councils and Chapters for their share of paid memberships and course fees. Assessments are calculated and paid quarterly.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interest Rate Swap Agreement

The interest rate swap agreement is reflected at fair value in the Association's consolidated statements of financial position and the related portions of the debt being hedged are reflected at an amount equal to its carrying value.

Under U.S. GAAP, not-for-profit entities may elect to use a simplified hedge accounting approach to account for interest rate swap agreements that are entered into for the purpose of economically converting a variable-rate borrowing into a fixed-rate borrowing. Under this approach, the statement of activity charge for interest expense is similar to the amount that would result if the Association had directly entered into a fixed-rate borrowing instead of a variable-rate borrowing and a receive-variable, pay-fixed interest rate swap. The Association elected to use the simplified accounting approach.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. Currently, the ENA Board of Directors (ENA Board) has designated funds for ENAF endowments as well as to fund projects that fall within the criteria of the ENA spending policy. The ENAF Board has also designated funds for the ENAF endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Association reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Concentration of Credit Risk

The Association maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Association's uninsured cash balance was \$1,382,199 and \$903,973 at December 31, 2022 and 2021, respectively. The Association believes it is not exposed to any significant credit risk on cash.

The Association maintains its investment in broker accounts which, at times, may exceed federally insured limits. As of December 31, 2022 and 2021, the Association's uninsured investment balance was \$17,093,326 and \$24,287,184, respectively. The Association believes it is not exposed to any significant credit risk on investments.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support and Revenue Recognition

Revenue from Contracts with Customers

The Association derives a significant portion of its revenue from revenue sources that involve contracts with customers. Those sources include courses, membership dues, conferences, publications, marketplace, sponsorships, royalties, special events, mailing lists, and other revenue. Revenue is recognized when control of these goods or services are transferred to its customers, in an amount that reflects the consideration the Association expects to be entitled to in exchange for those goods or services. The Association does not have any significant financing components as all payments are received within a year of the services being provided. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year. All contracts contain specified pricing for each performance obligation thus allocation of the transaction price is not necessary.

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Association's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	2022	2021
Performance obligations satisfied at a point in time	\$ 19,583,136	16,494,186
Performance obligations satisfied over time	\$ 5,221,440	5,525,186

Revenues from performance obligations satisfied at a point in time consist of revenues from courses, conferences, publication advertising revenue, marketplace, event sponsorships, special events, mailing lists, and other revenues. Revenues from performance obligations satisfied over time consist of membership dues, publication editorial support and profit sharing, corporate engagement council sponsorships, and royalties.

Performance Obligations

For performance obligations related to courses, control transfers to the customer at a point in time. Courses occur on specified dates and course fee revenue is recorded when the course is held. Revenue from the sale of manuals is recognized upon shipment to the customer.

For performance obligations related to membership dues, control transfers to the customer over time. The Association offers membership categories of one year, three years, five years, and lifetime. Revenue is recorded in equal installments as control is passed to the customer over the term of the membership. The Association has determined that the average career span of an emergency professional is thirteen years and recognizes lifetime memberships over a thirteen-year period.

For performance obligations related to conferences, control transfers to the customer at a point in time. Conferences occur at specified dates and revenue is recorded at the time the conference is held.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support and Revenue Recognition, Continued

Performance Obligations, Continued

For performance obligations related to publication advertising revenue, control transfers at a point in time. Revenue is recorded at the time the advertisement is printed or advertising service is performed. For performance obligations related to publication editorial support and profit sharing, control transfers to the customer over time in equal installments as control is passed to the publisher over the term of the agreement.

For performance obligations related to marketplace, control transfers to the customer at a point in time. Revenue from marketplace is recognized upon shipment of goods to customers.

For performance obligations related to event sponsorships and special events, control transfers to the customer at a point in time. Events occur at specified dates and revenue is recorded at the time the event is held. For performance obligations related to corporate engagement council sponsorships, control transfers to the customer over time. All obligations associated with corporate engagement council sponsorships are satisfied in the year in which the contract was obtained.

For performance obligations related to royalty revenue, control transfers to the customer over time. The Association recognizes royalty revenue using the output method based on terms agreed upon in contracts established with customers. The Association receives a percentage of gross income in exchange for a customer's usage of the Association's name and logo. The Association also receives commissions based on net revenue generated for promotion of a job board on the Association's website.

For performance obligations related to mailing lists and other revenues, control transfers to the customer at a point in time.

Conference fees received in advance are deferred until the conference takes place. Course fees received in advance are deferred until the course takes place. Membership dues received in advance are deferred until the period to which the dues relate. The deferred amounts as of December 31, 2022 and 2021 are included in deferred revenue on the consolidated statements of financial position.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue on the consolidated statements of financial position. The beginning and ending contract balances were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Accounts receivable	\$ 1,982,254	1,608,291	1,797,191
Deferred revenue	\$ 4,813,601	3,898,045	3,960,948

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support and Revenue Recognition, Continued

Promises to Give

The Association recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of December 31, 2022 and 2021, there were no conditional promises to give. Contributions not collected at the end of the year are disclosed as pledges receivable and are recorded at their estimated fair values. They are subsequently valued at the present value of future cash flows. All contributions are expected to be collected in one year or less.

Employee Retention Credit

The provisions of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes for eligible employers. Management determined the Association qualifies for the ERC and has elected to treat the credit consistent with the treatment of conditional grants. The Association recorded a receivable and ERC grant revenue once the measurable performance or other barrier and right of return of the ERC had been overcome. The Association has recognized \$1,283,954 as ERC grant revenue for the years ended December 31, 2022. The Association has a related receivable balance of \$1,283,954 as of December 31, 2022 included in other receivables on the consolidated statements of financial position. The Association has filed for refunds of the ERC and subsequent to year end has received the funds.

Accounting Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

ENA and ENAF are exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). ENA pays unrelated business income tax (UBIT) on advertising revenue derived from various ENA publications, as well as sponsorship revenue that provide marketing opportunities for the sponsor. Unrelated business income tax (UBIT) for the years ended December 31, 2022 and 2021 amounted to \$63,055 and \$11,869, respectively. Provision for UBIT expense is included in programs, grants, and scholarship expense on the consolidated statements of functional expenses.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes, Continued

Management has concluded that as of December 31, 2022 and 2021, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Association is no longer subject to examination by federal, state, or local tax authorities for periods before 2019.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$132,274 and \$121,191 for the years ended December 31, 2022 and 2021, respectively, and is included with miscellaneous expenses in the consolidated statements of functional expenses.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Association utilizes a direct coding methodology for a majority of their expenses, however, expenses classified as occupancy expenses on the consolidated statements of functional expenses are allocated on the basis of estimates of time and effort.

Change in Accounting Principles – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the consolidated statements of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended December 31, 2022, the Association adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Adoption of New Accounting Standard – Leases

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the consolidated statement of financial position. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021.

The Association elected to adopt these ASUs effective January 1, 2022 and utilized the available practical expedients. As a result of adoption, the Association recorded ROU assets and lease liabilities of \$452,799 effective January 1, 2022.

Leases

The Association leases office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets and other current and long-term operating lease liabilities in the consolidated statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in the consolidated statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Association uses the implicit rate when it is readily determinable. Since most of the Association's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk free rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Association's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise the option.

New Accounting Standard – Credit Losses

In June 2016, the FASB issued guidance to change the accounting for credit losses. The guidance requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit losses" and record an allowance that presents the net amount expected to be collected on the financial assets. The CECL framework is expected to result in earlier recognition of credit losses. The Association intends to adopt the guidance as of January 1, 2023 and is currently evaluating the effect it is expected to have on its financial statements and related disclosures.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Management Evaluation of Going Concern

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Association's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Association's ability to continue as a going concern for the period from July 20, 2023 to July 20, 2024.

Subsequent Events

Subsequent events have been evaluated through July 20, 2023, the date that the financial statements were available to be issued.

On January 4, 2023, ENA established a wholly-owned subsidiary under the name ENA Ventures, LLC and on January 5, 2023 amended the articles of organization to change the name of the limited liability company to be ENA WorkWell Solutions, LLC. As of April 13, 2023, ENA WorkWell Solutions, LLC is doing business as Engage - Powered by ENA.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,809,627	1,425,562
Accounts receivable, net	1,845,317	1,435,075
Grants receivable	27,673	18,412
Other receivables	1,298,083	67,184
Mortgage receivable	60,844	62,345
Investments	<u>17,300,328</u>	<u>25,267,700</u>
Total financial assets	<u>22,341,872</u>	<u>28,276,278</u>
Less: amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	656,155	962,652
Perpetual restrictions	1,385,048	1,265,440
Board-designated endowment	1,649,769	2,015,769
Board-designated for a specific purpose	89,908	131,576
Board-designated reserve fund	<u>501,910</u>	<u>501,910</u>
Total amounts not available for general expenditures within one year	<u>4,282,790</u>	<u>4,877,347</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 18,059,082</u>	<u>23,398,931</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 - LIQUIDITY AND AVAILABILITY, CONTINUED

The Association's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. As of December 31, 2022 and 2021, donor restricted endowment funds were not available for general expenditure.

The Association's board-designated endowment of \$1,649,769 and \$2,015,769 at December 31, 2022 and 2021, respectively, is subject to an annual spending rate of 5% as described in Note 13. Although the Association does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the ENAF Board's annual budget approval and appropriation), these amounts could be made available if necessary.

During 2020, the ENAF Board designated funds for utilizing reserves to support COVID-19 relief and in December 2022, the ENAF Board re-designated the purpose of the COVID Relief Fund to an Emergency Relief Fund. At December 31, 2022 and 2021, there was a balance of \$89,908 and \$131,576, respectively, with this designation. Although the Association intends to spend these funds in support of emergency relief, these amounts could be made available if necessary.

Additionally, the ENA Board has designated funds within the parameters of the ENA spending policy for utilizing reserves on identified projects. At December 31, 2022 and 2021 there was a balance of \$501,910 with this designation. Although the Association intends to spend these funds in accordance with the ENA spending policy referred to above, these amounts could be made available if necessary.

As part of the Association's liquidity management plan, cash in excess of current needs for expenses is invested in mutual funds. Investments are released to cover operating expenses as needed upon management approval. Additionally, the Association maintains a line of credit that if deemed necessary can be drawn upon to cover operating expenses (Note 8).

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,492,112	1,492,112
Buildings	2,948,699	2,948,699
Building improvements	5,969,138	5,969,138
Equipment	178,598	281,744
Program development	1,246,992	1,308,564
Furniture and fixtures	1,283,098	1,297,834
Computer software	<u>5,122,465</u>	<u>5,560,296</u>
Total property and equipment	18,241,102	18,858,387
Less accumulated depreciation	<u>(5,509,359)</u>	<u>(6,776,122)</u>
Property and equipment, net	<u>\$ 12,731,743</u>	<u>12,082,265</u>

Depreciation expense of property and equipment was \$498,019 and \$544,434 for the years ended December 31, 2022 and 2021, respectively. In addition, the Association amortized development costs (included in programs, grants, and scholarship expenses) for the years ended December 31, 2022 and 2021 in the amounts of \$270,204 and \$201,577, respectively.

NOTE 5 - MORTGAGE RECEIVABLE

On August 21, 2020, the Association entered into a real estate sale agreement with a third party. The Association agreed to provide financing for a portion of the purchase price of the property sold, which amounted to \$1,900,000. The mortgage receivable is stated at unpaid principal balance, less an allowance for loan losses. As of December 31, 2022 and 2021, an allowance was not deemed necessary. Certain insurance coverage is required and the policies must name the Association as additional insured.

Interest on the note is compounded annually and accrues at a rate of 4.00% from September 1, 2021 through August 31, 2023 and at a rate of 5.00% from August 31, 2023 through the maturity date. Interest on the loan is recognized over the term of the loan and is calculated using the interest method on principal amounts outstanding. Interest income recorded for the years ended December 31, 2022 and 2021 was \$71,662 and \$30,499, respectively, and is included as other support and revenue on the consolidated statements of activities. The Association's practice is to charge off any loan or a portion of a loan when the loan is determined by management to be uncollectible due to the third party's failure to meet repayment terms, or for other reasons.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 6 - SPLIT-DOLLAR LIFE INSURANCE AGREEMENT

On April 1, 2022, the Association entered into a collateral assignment split-dollar agreement and limited recourse term promissory note with a key employee of the Association to encourage the employee to continue employment and to provide insurance protection, as well as additional retirement income, for the benefit of the employee. The Association and employee jointly own a life insurance policy (Policy). The limited recourse term promissory note accrues interest at a rate of 2.25% per annum compounded annually and the Policy is assigned as collateral, which secures the Association's right to recover the funding amount plus interest. Commencing December 31, 2029, the employee has the right to draw excess cash value earnings from the Policy, up to the vested annual borrowing cap. The employee will be 100% vested in her borrowing rights if employed through December 31, 2029.

Beginning in 2022 and ending in 2029, the Association will make eight annual premium payments to the insurance company in the amount of \$112,488 per year. Interest income is recognized as earned and accrued for in split dollar life insurance on the consolidated statements of financial position. The balance of the split dollar life insurance as of December 31, 2022 comprised of the following:

Initial principal amount	\$	899,904
Accrued interest		<u>15,186</u>
Total split dollar life insurance	\$	<u><u>915,090</u></u>

NOTE 7 - FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that management has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 7 - FAIR VALUE MEASUREMENTS, CONTINUED

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds: Valued at the closing price as reported by the fund. Mutual funds held by the Association are open-ended mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Interest rate swap: Valued using both observable and unobservable inputs when available and can generally be corroborated by market data.

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 management believes its valuation methods are appropriate and consistent with other market participants, 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.

The following tables set forth by level, within the fair value hierarchy, the Association's assets at fair value as of December 31, 2022 and 2021:

	Assets at Fair Value as of December 31, 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds:				
Money market funds	\$ 521,780	-	-	521,780
Bond funds	5,541,831	-	-	5,541,831
Equity funds	4,408,471	-	-	4,408,471
Exchange traded funds	7,615,662	-	-	7,615,662
Interest rate swap	-	257,642	-	257,642
Total assets in the fair value hierarchy	<u>\$ 18,087,744</u>	<u>257,642</u>	<u>-</u>	<u>18,345,386</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 7 - FAIR VALUE MEASUREMENTS, CONTINUED

	Assets at Fair Value as of December 31, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds:				
Bond funds	\$ 3,773,408	-	-	3,773,408
Equity funds	11,022,113	-	-	11,022,113
Exchange traded funds	<u>10,472,179</u>	<u>-</u>	<u>-</u>	<u>10,472,179</u>
Total assets in the fair value hierarchy	<u>\$ 25,267,700</u>	<u>-</u>	<u>-</u>	<u>25,267,700</u>
Liability:				
Interest rate swap	<u>\$ -</u>	<u>705,820</u>	<u>-</u>	<u>705,820</u>

As of December 31, 2022, \$787,416 of the \$18,087,744 of investments are earmarked for the collateral assignment split-dollar agreement and are included in split-dollar life insurance asset on the consolidated statement of financial position.

For the years ended December 31, 2022 and 2021, there were no significant transfers into or out of Level 3.

NOTE 8 - LINE OF CREDIT

The Association has a \$2,500,000 unsecured line of credit. This line expires on December 21, 2023 and bears interest at prime (7.50% at December 31, 2022) minus .75%. The outstanding balance on the line of credit was \$1,099,209 at December 31, 2022 and 2021.

Restrictive covenants imposed under the line of credit require the Association to maintain an unrestricted cash and investment to total fund debt of not less than 1.25 (ENA only). As of December 31, 2022 and 2021, this covenant was met.

NOTE 9 - BOND PAYABLE

On December 21, 2017, a Series 2017 Industrial Revenue Bond (Bond) was issued by the City of Watseka. The aggregate principal amount of the Bond is \$10,000,000 and the proceeds of the Bond were used to finance the purchase of the land and building in Schaumburg, IL. The maturity date of the Bond is December 21, 2047.

The Bond bears interest at variable rates throughout the life of the bond. As of December 31, 2022, the interest rate on the Bond is 4.69%. The Bond requires monthly payments of \$28,736.

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 - BOND PAYABLE, CONTINUED

The Bond agreement requires the Association to furnish audited financial statements 270 days after each year end. Restrictive covenants imposed under the Bond agreement also require the Association to maintain an unrestricted cash and investment to total fund debt of not less than 1.25 (ENA only). As of December 31, 2022 and 2021, this covenant was met.

There were debt issuance costs of \$123,194 related to the bond issuance. Amortization expense for the years ended December 31, 2022 and 2021 was \$6,973 and \$7,246, respectively.

During 2018, the Association entered into a \$10,000,000 interest rate swap agreement with a bank to fix the rate on the variable rate bond and to manage the borrowing costs. The interest rate swap agreement has a termination date of December 10, 2027 and a fixed interest rate of 3.61%.

The settlement value of the interest rate swap at December 31, 2022 was an asset of \$257,642 and at December 31, 2021 was a liability of \$705,820. The settlement rate was estimated using a present value calculation of the swap's remaining estimated cash flows, not adjusted for any nonperformance risk.

The Bond payable as of December 31, 2022 and 2021 consisted of the following:

	2022			2021		
	PRINCIPAL	DEBT ISSUE COSTS	NET	PRINCIPAL	DEBT ISSUE COSTS	NET
Bond	\$ 8,620,672	85,599	8,535,073	8,965,504	92,572	8,872,932
Less current portion	<u>(344,832)</u>	<u>(6,700)</u>	<u>(338,132)</u>	<u>(344,832)</u>	<u>(6,973)</u>	<u>(337,859)</u>
Long-term debt	<u>\$ 8,275,840</u>	<u>78,899</u>	<u>8,196,941</u>	<u>8,620,672</u>	<u>85,599</u>	<u>8,535,073</u>

Principal payments due on Bond payable during each of the next five years are as follows:

2023	\$ 344,832
2024	344,832
2025	344,832
2026	344,832
2027	344,832
Thereafter	<u>6,896,512</u>
Total	<u>\$ 8,620,672</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 10 - LEASES

As of and for the Year ended December 31, 2022

The Association has operating lease agreements that require monthly payments ranging from \$144 to \$6,793, and lease maturity dates up through November 2027. The Association is not obligated by any lease agreements that meet the criteria of a finance lease.

Certain leases include optional renewal periods. When it is reasonably certain that a renewal option will be exercised that renewal period is included in the lease term, and the related payments are reflected in the ROU asset and lease liability.

All of the Association's leases include fixed rental payments. While the majority of the leases are gross leases, the Association also has a number of leases which require separate payments to the lessor based on the property taxes assessed on the property, as well as a portion of the common area maintenance associated with the property. The Association has elected the practical expedient not to separate lease and nonlease components for all leases.

The Association elects to apply the short-term lease measurement and recognition exemption to leases that meet the criteria. As of December 31, 2022, the Association had not entered into any lease agreements that qualify for the short-term lease measurement and recognition exemption.

Lease expense for the year ended December 31, 2022 was as follows:

Operating leases:	
Fixed rent expense	<u>\$ 92,567</u>

Aggregate future minimum lease payments and the present value of net future minimum payments at December 31, 2022 is as follows:

2023	\$	88,123
2024		90,118
2025		87,345
2026		82,703
2027		<u>21,958</u>
		370,247
Less interest		<u>(10,194)</u>
		<u>\$ 360,053</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 10 - LEASES, CONTINUED

As of and for the Year ended December 31, 2022, Continued

As of December 31, 2022, the weighted-average remaining lease term for all operating leases is 4.13 years. Because the Association generally does not have access to the rate implicit in the lease, the Association utilizes the risk free rate as the discount rate. The weighted-average discount rate associated with operating leases as of December 31, 2022 is 1.36%.

As of and for the Year ended December 31, 2021

The Association was obligated under operating leases, primarily for certain office space and office equipment which expire on various dates through 2026. Total rent expense under these leases amounted to \$101,585 for the year ended December 31, 2021 and is included with rent and supplies and equipment expenses in the consolidated statements of functional expenses.

NOTE 11 - RETIREMENT PLAN

ENA has a 401(k) defined contribution retirement savings plan (Plan) available to substantially all of ENA's employees. ENA matches up to 4% of each employee's contribution to the Plan. The Plan also has a discretionary profit-sharing component. ENA's discretionary profit-sharing contribution is determined annually based on the fiscal results of the Association with input from staff and the Board. Based on ENA's financial performance in 2021, the profit-sharing contribution was given to each of the qualified employees of 5%, which was paid in 2022. In 2022, there was no profit-sharing contribution. ENA's contribution is funded on a current basis. Total contributions to the Plan for the years ended December 31, 2022 and 2021 totaled \$321,253 and \$716,175, respectively.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Association has entered into a number of contracts with various vendors for space, hotel accommodations, and ancillary services for future meetings. Prepaid hotel deposits may be applied towards hotel cancellation fees. Minimum estimated cancellation fees for future meetings as of December 31, 2022 are as follows:

2023	\$ 1,147,850
2024	3,056,382
2025	469,505
2026	240,993
2027	-
Thereafter	<u>884,032</u>
Total	<u>\$ 5,798,762</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 - COMMITMENTS AND CONTINGENCIES, CONTINUED

The \$1,938,315 Paycheck Protection Program (PPP) loan (loan 1), \$1,938,315 second PPP loan (loan 2), and their forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loans are forgiven, which was March 2021, for loan 1 and November 2021 for loan 2. The Association is not currently under examination nor has the Association been contacted.

NOTE 13 - ENDOWMENT

The Association's endowment includes three board-designated endowments established for the ENAF and twenty one donor-restricted endowment funds primarily for the general operating purposes of the Association, as well as for specific programs and scholarships. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009. The board of directors has adopted a spending policy that requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

As a result of this policy, the Association retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of any discounts or an allowance for uncollectible pledges) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Association in a manner consistent with the standard of prudence described by UPMIFA. The Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Association and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Association
- The investment policies of the Association

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 - ENDOWMENT, CONTINUED

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association's board has approved a policy of appropriating annually no more than 5% of the prior three-year average of the fair market value of the endowment, including any capital appreciation and/or current yield. In establishing this policy, the Association considered the long-term expected return on its endowments. This is consistent with the Association's objective to maintain the fair value of the endowment assets held in perpetuity for a specified term as well as to provide additional real growth through new gifts and investment return. Donor-restricted endowments are spent in accordance with the donors' requirements; distributions are made for purposes that conform to the donors' stated intentions.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). There were no such deficiencies at December 31, 2022 and 2021.

Endowment net asset composition by type of fund as of December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,649,769	-	1,649,769
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	1,385,048	1,385,048
Accumulated investment gains	-	297,436	297,436
Total endowment net assets	<u>\$ 1,649,769</u>	<u>1,682,484</u>	<u>3,332,253</u>

Changes in endowment net assets for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2021	\$ 2,015,769	1,881,913	3,897,682
Investment return, net	(298,000)	(281,537)	(579,537)
Appropriation of endowment assets for expenditures	(68,000)	(37,500)	(105,500)
Contributions	-	119,608	119,608
Endowment net assets, December 31, 2022	<u>\$ 1,649,769</u>	<u>1,682,484</u>	<u>3,332,253</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 - ENDOWMENT, CONTINUED

Endowment net asset composition by type of fund as of December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 2,015,769	-	2,015,769
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	1,265,440	1,265,440
Accumulated investment gains	<u>-</u>	<u>616,473</u>	<u>616,473</u>
Total endowment net assets	<u>\$ 2,015,769</u>	<u>1,881,913</u>	<u>3,897,682</u>

Changes in endowment net assets for the year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, January 1, 2021	\$ 1,835,515	1,456,862	3,292,377
Investment return, net	258,754	216,139	474,893
Appropriation of endowment assets for expenditures	(78,500)	(53,000)	(131,500)
Contributions	<u>-</u>	<u>261,912</u>	<u>261,912</u>
Endowment net assets, December 31, 2021	<u>\$ 2,015,769</u>	<u>1,881,913</u>	<u>3,897,682</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Karen O'Neil Endowed Scholarship Fund	\$ 111,793	133,562
New York State September 11 Endowment Fund	143,989	175,504
Judith C. Kelleher Memorial Endowment Fund	134,771	171,196
Anita Dorr Memorial Endowment Fund	4,843	5,655
Jeanette Ash Endowed Scholarship Fund	64,834	71,708
Richard Wynkoop Scholarship Fund	55,267	58,897
Elizabeth B. Moore Memorial Fund for Scholarships	126,363	155,373
Texas Endowed Scholarship Fund	208,959	250,090
Mildred Fincke Memorial Endowed Scholarship Fund	32,603	35,310
Joan Eberhardt Endowed Scholarship Fund	55,156	64,117
Peggy McCall Fund	27,536	32,217
Jeff Solheim International Endowment	31,334	16,876
Gracen Brooke Oglesby Pediatric Fund	22,597	24,464
Castner and Spencer Family Research Fund	25,742	20,032
Patricia Kunz Howard Endowed Scholarship Fund	33,525	25,863
Virginia ENA State Council Endowed Scholarship Fund	24,483	15,518
HoosiER ENA Scholarship Fund	22,604	25,000
Illinois ENA Thelma Kuska Endowment Fund	33,220	27,163
Minnesota Pathways Scholarship Fund	12,000	-
Barbara Ann Stout Fund	24,543	-
General Endowment Fund	<u>486,322</u>	<u>573,368</u>
Total endowments	1,682,484	1,881,913
Purpose restricted contributions	<u>358,719</u>	<u>346,180</u>
Total net assets with donor restrictions	<u>\$ 2,041,203</u>	<u>2,228,093</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Scholarships	\$ 264,089	242,330
Emergency Relief Fund (COVID-Relief)	<u>-</u>	<u>27,512</u>
Total net assets released from restrictions	<u>\$ 264,089</u>	<u>269,842</u>

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 15 - PAYCHECK PROTECTION PROGRAM LOAN

On April 5, 2020, the Association received proceeds in the amount of \$1,938,315 under the PPP established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met.

Pursuant to the 2021 Consolidated Appropriations Act (CAA), the Association applied for a \$1,938,315 PPP2 loan and received the proceeds on February 1, 2021. The PPP2 loan and accrued interest are forgivable to the extent the criteria established in the CAA are met.

Given Congress' intent to have the proceeds of the PPP loans forgiven by meeting specific criteria, the Association has elected to treat the PPP loans in accordance with the conditional government grants model in accordance with FASB ASC 958-605. The Association initially recorded the loan as a refundable advance and subsequently recognized PPP grant revenue in accordance with the guidance for conditional government grants; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Association has recognized \$1,938,315 and \$1,938,315 as PPP grant revenue for the years ended December 31, 2021 and 2020, respectively.

NOTE 16 - RECLASSIFICATIONS

Certain amounts in the 2021 financial statements have been reclassified to conform to the December 31, 2022 presentation.

SUPPLEMENTARY INFORMATION

**EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,033,055	808,215
Accounts receivable, net	1,837,751	1,411,792
Grants receivable	27,673	18,412
Due from affiliate	5,693	3,496
Other receivables	1,298,083	67,184
Current portion of mortgage receivable	60,844	62,345
Inventory	50,717	54,522
Current portion of prepaid expenses	457,555	649,321
Total current assets	4,771,371	3,075,287
Property and equipment, net	12,730,565	12,079,069
Other assets:		
Prepaid expenses, net of current portion	534,782	563,151
Mortgage receivable, net of current portion	1,695,852	1,751,404
Interest rate swap asset	257,642	-
Split-dollar life insurance asset	915,090	-
Right of use assets under operating lease agreements	365,691	-
Investments	13,332,058	20,661,985
Total assets	\$ 34,603,051	38,130,896

See Independent Auditor's Report.

**EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable	\$ 670,124	726,665
Wages and benefits payable	812,311	1,114,853
Accrued expenses	508,277	459,297
Credits on customer accounts	93,339	48,295
Assessments payable	819,231	741,500
Line of credit	1,099,209	-
Current portion of deferred revenue	3,412,453	2,569,221
Current portion of obligations under operating leases	83,846	-
Current portion of bond payable	<u>338,132</u>	<u>337,859</u>
Total current liabilities	<u>7,836,922</u>	<u>5,997,690</u>
Long-term liabilities:		
Line of credit	-	1,099,209
Interest rate swap agreement	-	705,820
Deferred revenue, net of current portion	1,401,148	1,328,824
Obligations under operating leases, net of current portion	276,207	-
Bond payable, net of current portion	<u>8,196,941</u>	<u>8,535,073</u>
Total long-term liabilities	<u>9,874,296</u>	<u>11,668,926</u>
Total liabilities	<u>17,711,218</u>	<u>17,666,616</u>
Net assets:		
Without donor restrictions:		
Undesignated	16,389,923	19,962,370
Board-designated	<u>501,910</u>	<u>501,910</u>
Total without donor restrictions	16,891,833	20,464,280
Total net assets	<u>16,891,833</u>	<u>20,464,280</u>
Total liabilities and net assets	<u>\$ 34,603,051</u>	<u>38,130,896</u>

See Independent Auditor's Report.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Support and revenue:		
Courses	\$ 15,736,924	14,625,186
Membership dues	4,550,348	4,802,544
Conferences	2,585,904	845,318
Publications	561,578	583,347
Marketplace	414,477	418,567
Sponsorships	397,475	296,300
Royalties	205,647	214,572
Other	229,534	191,267
Grants	165,751	83,011
Paycheck Protection Program grant revenue	-	1,938,315
Employee Retention Credit grant revenue	1,283,954	-
Mailing lists	55,354	31,633
Donated services	<u>80,000</u>	<u>-</u>
Total support and revenue	<u>26,266,946</u>	<u>24,030,060</u>
Expenses:		
Programs, grants, and scholarships	<u>18,319,646</u>	<u>14,532,849</u>
Supporting services:		
Management and general	8,925,029	7,687,221
Fundraising and development	<u>469,085</u>	<u>458,941</u>
Total supporting services	<u>9,394,114</u>	<u>8,146,162</u>
Total expenses	<u>27,713,760</u>	<u>22,679,011</u>
Change in net assets - before other income	<u>(1,446,814)</u>	<u>1,351,049</u>
Other income (expense)		
Interest income	15,186	-
Interest expense	(365,951)	(362,841)
Investment return, net	(2,731,942)	2,059,484
Gain on interest rate swap agreement	963,462	504,153
Loss on disposal	<u>(6,388)</u>	<u>-</u>
Total other income	<u>(2,125,633)</u>	<u>2,200,796</u>
Change in net assets	(3,572,447)	3,551,845
Net assets, beginning of year	<u>20,464,280</u>	<u>16,912,435</u>
Net assets, end of year	<u>\$ 16,891,833</u>	<u>20,464,280</u>

See Independent Auditor's Report.

**EMERGENCY NURSES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	SUPPORTING SERVICES			TOTAL
	PROGRAMS, GRANTS, AND SCHOLARSHIPS	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
Payroll expenses:				
Salaries and wages	\$ 6,226,739	3,889,928	-	10,116,667
Employee benefits	915,135	533,272	-	1,448,407
Payroll taxes	483,264	262,307	-	745,571
Total payroll expenses	<u>7,625,138</u>	<u>4,685,507</u>	<u>-</u>	<u>12,310,645</u>
Operating expenses:				
Advertising and promotion	132,236	38	-	132,274
Bank charges and credit card processing fees	-	471,242	-	471,242
Discount on sales	84,600	-	-	84,600
Bad debt expense	2,544	-	-	2,544
Computer	228,995	1,160,958	-	1,389,953
Conferences	2,245,548	383,271	-	2,628,819
Cost of goods sold	1,376,776	-	-	1,376,776
Depreciation and amortization	410,631	120,655	9,521	540,807
Fulfillment and warehousing services	211,580	-	-	211,580
Grants and scholarships	-	2,750	429,566	432,316
Insurance	71,890	53,666	-	125,556
Miscellaneous	132,097	87,553	-	219,650
Postage, freight, and shipping	263,722	4,412	-	268,134
Printing	258,395	17,248	-	275,643
Professional services	1,366,485	670,976	-	2,037,461
Provision for UBIT	63,055	-	-	63,055
Public relations	11,685	-	-	11,685
Recruitment fees	-	68,497	-	68,497
Stipends	145,017	140,511	-	285,528
Supplies and equipment	50,830	146,072	-	196,902
Temporary workers	166,111	56,201	-	222,312
Training	56,029	201,837	-	257,866
Travel	484,781	344,504	-	829,285
Total operating expenses	<u>7,763,007</u>	<u>3,930,391</u>	<u>439,087</u>	<u>12,132,485</u>
Occupancy expenses:				
Building maintenance	93,976	58,933	6,371	159,280
Depreciation	137,099	85,977	9,295	232,371
Insurance	8,047	5,046	546	13,639
Real estate taxes	163,767	102,702	11,103	277,572
Rent	45,553	31,656	-	77,209
Telephone	1,520	954	103	2,577
Utilities	38,051	23,863	2,580	64,494
Total occupancy expenses	<u>488,013</u>	<u>309,131</u>	<u>29,998</u>	<u>827,142</u>
Assessment expenses:				
State/chapter membership dues	505,253	-	-	505,253
ENPC/TNCC	1,938,235	-	-	1,938,235
Total assessment expenses	<u>2,443,488</u>	<u>-</u>	<u>-</u>	<u>2,443,488</u>
Total expenses	<u>\$ 18,319,646</u>	<u>8,925,029</u>	<u>469,085</u>	<u>27,713,760</u>

See Independent Auditor's Report.

**EMERGENCY NURSES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	SUPPORTING SERVICES			TOTAL
	PROGRAMS, GRANTS, AND SCHOLARSHIPS	MANAGEMENT AND GENERAL	FUNDRAISING AND DEVELOPMENT	
Payroll expenses:				
Salaries and wages	\$ 5,247,482	3,300,382	-	8,547,864
Employee benefits	1,072,241	613,410	-	1,685,651
Payroll taxes	426,189	233,469	-	659,658
Total payroll expenses	6,745,912	4,147,261	-	10,893,173
Operating expenses:				
Advertising and promotion	116,423	720	-	117,143
Bank charges and credit card processing fees	-	413,239	-	413,239
Discount on sales	112,395	-	-	112,395
Bad debt expense	49,209	-	-	49,209
Computer	198,429	1,004,107	-	1,202,536
Conferences	592,822	224,173	-	816,995
Cost of goods sold	1,413,308	-	-	1,413,308
Depreciation and amortization	375,590	126,219	11,798	513,607
Fulfillment and warehousing services	217,472	-	-	217,472
Grants and scholarships	-	-	415,187	415,187
Insurance	74,399	46,740	-	121,139
Miscellaneous	104,170	66,175	-	170,345
Postage, freight, and shipping	285,245	3,255	-	288,500
Printing	227,012	7,121	-	234,133
Professional services	868,115	703,876	-	1,571,991
Provision for UBIT	11,869	-	-	11,869
Public relations	11,701	944	-	12,645
Recruitment fees	80	82,083	-	82,163
Stipends	117,700	142,000	-	259,700
Supplies and equipment	53,154	93,446	-	146,600
Temporary workers	80,639	17,426	-	98,065
Training	46,101	144,234	-	190,335
Travel	61,825	139,777	-	201,602
Total operating expenses	5,017,658	3,215,535	426,985	8,660,178
Occupancy expenses:				
Building maintenance	97,034	60,852	6,579	164,465
Depreciation	140,203	87,924	9,505	237,632
Insurance	7,223	4,530	490	12,243
Real estate taxes	184,436	115,663	12,504	312,603
Rent	41,486	28,829	-	70,315
Telephone	1,242	779	84	2,105
Utilities	41,217	25,848	2,794	69,859
Total occupancy expenses	512,841	324,425	31,956	869,222
Assessment expenses:				
State/chapter membership dues	531,398	-	-	531,398
ENPC/TNCC	1,725,040	-	-	1,725,040
Total assessment expenses	2,256,438	-	-	2,256,438
Total expenses	\$ 14,532,849	7,687,221	458,941	22,679,011

See Independent Auditor's Report.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash provided (used) by operating activities:		
Change in net assets	\$ (3,572,447)	3,551,845
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of property and equipment	766,205	743,993
Amortization of debt issuance costs	6,973	7,246
Gain on interest rate swap agreement	(963,462)	(504,153)
Loss on disposal of property and equipment	6,388	-
Provision for doubtful accounts	(36,279)	20,641
Realized and unrealized loss (gain) on investments	3,171,857	(1,454,988)
Amortization of right of use assets under operating leases	87,108	-
Interest earned on split dollar life insurance agreement	(15,186)	-
Changes in:		
Accounts receivable, net	(389,680)	202,884
Grants receivable	(9,261)	(1,503)
Due (to) from affiliate	(2,197)	(9,741)
Other receivables	(1,230,899)	6,869
Inventory	3,805	(19,536)
Prepaid expenses and other assets	220,135	(254,895)
Accounts payable	(56,541)	432,559
Wages and benefits payable	(302,542)	560,482
Accrued expenses	48,980	(6,607)
Credits on customer accounts	45,044	(28,446)
Assessments payable	77,731	(81,400)
Deferred revenue	915,556	(62,903)
Obligations under operating leases	(92,746)	-
Net cash provided (used) by operating activities	(1,321,458)	3,102,347
Cash provided (used) by investing activities:		
Purchases of property and equipment	(1,424,089)	(943,016)
Payments received on mortgage receivable	57,053	60,251
Purchases of investments	(12,071,393)	(3,562,461)
Proceeds from sale of maturities of investments	15,442,047	1,266,470
Net cash provided (used) by investing activities	2,003,618	(3,178,756)
Cash used by financing activities:		
Payments on bonds payable	(344,832)	(344,832)
Payments on split dollar life insurance agreement	(112,488)	-
Net cash used by financing activities	(457,320)	(344,832)
Net increase (decrease) in cash and cash equivalents	224,840	(421,241)
Cash and cash equivalents, beginning of year	808,215	1,229,456
Cash and cash equivalents, end of year	\$ 1,033,055	808,215
Noncash investing transactions:		
Initial principal amount of promissory note for collateral assignment split-dollar agreement	\$ 899,904	-
Interest accrued on split-dollar life insurance asset	\$ 15,186	-
Other cash flow information:		
Interest paid	\$ 365,951	362,841
Income taxes paid	\$ 10,000	5,000

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**ENA FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 776,572	617,347
Accounts receivable, net	7,566	23,283
Current portion of prepaid expenses	<u>4,300</u>	<u>-</u>
Total current assets	788,438	640,630
Property and equipment, net	1,178	3,196
Other assets:		
Investments	<u>3,968,270</u>	<u>4,605,715</u>
Total assets	<u><u>\$ 4,757,886</u></u>	<u><u>5,249,541</u></u>

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable	\$ 5,083	1,495
Due to affiliate	<u>5,693</u>	<u>3,496</u>
Total current liabilities	<u>10,776</u>	<u>4,991</u>
Net assets:		
Without donor restrictions:		
Undesignated	966,230	869,112
Board-designated	<u>1,739,677</u>	<u>2,147,345</u>
Total without donor restrictions	2,705,907	3,016,457
With donor restrictions	<u>2,041,203</u>	<u>2,228,093</u>
Total net assets	<u>4,747,110</u>	<u>5,244,550</u>
Total liabilities and net assets	<u><u>\$ 4,757,886</u></u>	<u><u>5,249,541</u></u>

See Independent Auditor's Report.

ENA FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:						
Contributions	\$ 285,759	358,752	644,511	322,304	603,575	925,879
Special event revenue	67,325	-	67,325	9,276	-	9,276
Other	10	-	10	1,362	-	1,362
Net assets released from restrictions	<u>264,089</u>	<u>(264,089)</u>	<u>-</u>	<u>269,842</u>	<u>(269,842)</u>	<u>-</u>
Total support and revenue	<u>617,183</u>	<u>94,663</u>	<u>711,846</u>	<u>602,784</u>	<u>333,733</u>	<u>936,517</u>
Expenses:						
Programs, grants, and scholarships	<u>572,564</u>	<u>-</u>	<u>572,564</u>	<u>539,335</u>	<u>-</u>	<u>539,335</u>
Supporting services:						
Management and general	217,953	-	217,953	202,886	-	202,886
Fundraising and development	<u>167,196</u>	<u>-</u>	<u>167,196</u>	<u>167,647</u>	<u>-</u>	<u>167,647</u>
Total supporting services	<u>385,149</u>	<u>-</u>	<u>385,149</u>	<u>370,533</u>	<u>-</u>	<u>370,533</u>
Total expenses	<u>957,713</u>	<u>-</u>	<u>957,713</u>	<u>909,868</u>	<u>-</u>	<u>909,868</u>
Change in net assets - before contributed services from affiliate and other income	(340,530)	94,663	(245,867)	(307,084)	333,733	26,649
Contributed services from affiliate	429,566	-	429,566	415,187	-	415,187
Other income:						
Investment return, net	<u>(399,586)</u>	<u>(281,553)</u>	<u>(681,139)</u>	<u>342,733</u>	<u>219,239</u>	<u>561,972</u>
Change in net assets	(310,550)	(186,890)	(497,440)	450,836	552,972	1,003,808
Net assets, beginning of year	<u>3,016,457</u>	<u>2,228,093</u>	<u>5,244,550</u>	<u>2,565,621</u>	<u>1,675,121</u>	<u>4,240,742</u>
Net assets, end of year	<u>\$ 2,705,907</u>	<u>2,041,203</u>	<u>4,747,110</u>	<u>3,016,457</u>	<u>2,228,093</u>	<u>5,244,550</u>

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ENA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAMS, GRANTS, AND SCHOLARSHIPS</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING AND DEVELOPMENT</u>	
Operating expenses:				
Bank charges and credit card processing fees	\$ -	-	1,744	1,744
Computer	4,300	2,711	7,540	14,551
Conferences	-	6,449	3,012	9,461
Depreciation and amortization	-	2,018	-	2,018
Grants and scholarships	425,310	-	-	425,310
Insurance	-	480	-	480
Miscellaneous	-	2,177	-	2,177
Postage, freight, and shipping	-	768	145	913
Printing	-	1,209	936	2,145
Professional services	138,014	163,708	141,778	443,500
Recruitment fees	-	23	-	23
Supplies and equipment	577	919	5,966	7,462
Travel	4,363	37,491	6,075	47,929
	<u>4,363</u>	<u>37,491</u>	<u>6,075</u>	<u>47,929</u>
Total operating expenses	<u>\$ 572,564</u>	<u>217,953</u>	<u>167,196</u>	<u>957,713</u>

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ENA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAMS, GRANTS, AND SCHOLARSHIPS</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING AND DEVELOPMENT</u>	
Operating expenses:				
Advertising and promotion	\$ -	-	4,048	4,048
Bank charges and credit card processing fees	-	-	1,413	1,413
Bad debt expense	-	20	-	20
Computer	-	8,120	8,495	16,615
Conferences	-	2,671	1,000	3,671
Depreciation and amortization	-	2,018	-	2,018
Grants and scholarships	412,111	-	-	412,111
Insurance	-	480	-	480
Miscellaneous	64	-	-	64
Postage, freight, and shipping	1,298	506	4,228	6,032
Printing	-	902	275	1,177
Professional services	125,413	174,607	131,455	431,475
Promotion/advocacy	-	1,291	-	1,291
Recruitment fees	-	28	-	28
Supplies and equipment	449	648	15,716	16,813
Travel	-	11,595	1,017	12,612
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total operating expenses	<u>\$ 539,335</u>	<u>202,886</u>	<u>167,647</u>	<u>909,868</u>

See Independent Auditor's Report.

ENA FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash provided (used) by operating activities:		
Change in net assets	\$ (497,440)	1,003,808
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property and equipment	2,018	2,018
Net realized and unrealized losses (gains) on investments	791,400	(425,259)
Contributions restricted for investment in endowment	(119,608)	(261,912)
Changes in:		
Accounts receivable	15,717	(13,984)
Accounts payable	3,588	(26,026)
Due (to) from affiliate	2,197	9,741
Prepaid expenses	(4,300)	-
Net cash provided by operating activities	193,572	288,386
Cash provided (used) by investing activities:		
Purchases of investments	(1,978,671)	(371,590)
Proceeds from sale and maturities of investments	1,824,716	107,717
Net cash used by investing activities	(153,955)	(263,873)
Cash provided by financing activities:		
Contributions restricted for long-term purposes - endowment	119,608	261,912
Net increase in cash and cash equivalents	159,225	286,425
Cash and cash equivalents, beginning of year	617,347	330,922
Cash and cash equivalents, end of year	\$ 776,572	617,347

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