

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2023 and 2022

And Report of Independent Auditor

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position 3-4
Consolidated Statements of Activities 5
Consolidated Statements of Functional Expenses 6-7
Consolidated Statements of Cash Flows..... 8-9
Notes to the Consolidated Financial Statements..... 10-26

SUPPLEMENTARY INFORMATION

Emergency Nurses Association:

Statements of Financial Position..... 27-28
Statements of Activities 29
Statements of Functional Expenses 30-31
Statements of Cash Flows 32-33

ENA Foundation:

Statements of Financial Position..... 34
Statements of Activities 35
Statements of Functional Expenses 36-37
Statements of Cash Flows 38

Engage:

Statement of Financial Position..... 39
Statement of Activities..... 40
Statement of Functional Expenses 41
Statement of Cash Flows 42

Report of Independent Auditor

To the Finance Committee
Emergency Nurses Association
Elgin, Illinois

Opinion

We have audited the accompanying consolidated financial statements of Emergency Nurses Association and Affiliates (the "Association") (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Prior Year Consolidated Financial Statements

The consolidated financial statements as of December 31, 2022, were audited by PKF Mueller, which was acquired by Cherry Bekaert LLP as of December 31, 2023, and whose report dated July 20, 2023 expressed an unmodified opinion on those consolidated financial statements.

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 Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 consolidated financial statements as a whole. The supplementary information presented on pages 27 through 42 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Cherry Bekaert LLP

Elgin, Illinois
April 15, 2025

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,317,918	\$ 1,809,627
Accounts receivable, net	1,999,084	1,845,317
Grants receivable	9,360	27,673
Other receivables	-	1,298,083
Mortgage receivable	55,888	60,844
Inventory	49,400	50,717
Prepaid expenses	1,006,702	461,855
Total Current Assets	<u>4,438,352</u>	<u>5,554,116</u>
Property and Equipment, Net	<u>13,214,715</u>	<u>12,731,743</u>
Other Assets:		
Prepaid expenses, net of current portion	106,660	534,782
Mortgage receivable, net of current portion	1,639,963	1,695,852
Interest rate swap asset	179,362	257,642
Split-dollar life insurance asset	935,679	915,090
Right-of-use assets under operating lease agreements	277,401	365,691
Investments	16,426,901	17,300,328
Total Other Assets	<u>19,565,966</u>	<u>21,069,385</u>
Total Assets	<u><u>\$ 37,219,033</u></u>	<u><u>\$ 39,355,244</u></u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS AND ENGAGE DEFICIT		
Current Liabilities:		
Accounts payable	\$ 977,803	\$ 675,207
Wages and benefits payable	795,978	812,311
Accrued expenses	655,901	508,277
Credits on customer accounts	143,017	93,339
Assessments payable	844,945	819,231
Line of credit	1,099,209	1,099,209
Current portion of deferred revenue	2,663,853	3,412,453
Current portion of obligations under operating leases	86,994	83,846
Current portion of bond payable	338,405	338,132
Total Current Liabilities	<u>7,606,105</u>	<u>7,842,005</u>
Long-Term Liabilities:		
Deferred revenue, net of current portion	1,439,128	1,401,148
Obligations under operating leases, net of current portion	189,213	276,207
Bond payable, net of current portion	<u>7,858,536</u>	<u>8,196,941</u>
Total Long-Term Liabilities	<u>9,486,877</u>	<u>9,874,296</u>
Total Liabilities	<u>17,092,982</u>	<u>17,716,301</u>
Net Assets and Engage Deficit:		
Without Donor Restrictions:		
Undesignated	16,917,630	17,356,153
Board-designated	<u>2,399,998</u>	<u>2,241,587</u>
Total Without Donor Restrictions	<u>19,317,628</u>	<u>19,597,740</u>
With Donor Restrictions	2,125,768	2,041,203
Engage deficit	<u>(1,317,345)</u>	-
Total Net Assets and Engage Deficit	<u>20,126,051</u>	<u>21,638,943</u>
Total Liabilities and Net Assets and Engage Deficit	<u><u>\$ 37,219,033</u></u>	<u><u>\$ 39,355,244</u></u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Consulting services	\$ 157,500	\$ -	\$ 157,500	\$ -	\$ -	\$ -
Courses	20,013,778	-	20,013,778	15,736,924	-	15,736,924
Membership dues	4,135,792	-	4,135,792	4,550,348	-	4,550,348
Conferences	2,723,847	-	2,723,847	2,585,904	-	2,585,904
Publications	678,838	-	678,838	561,578	-	561,578
Marketplace	434,730	-	434,730	414,477	-	414,477
Sponsorships	534,000	-	534,000	397,475	-	397,475
Royalties	194,443	-	194,443	205,647	-	205,647
Other	364,687	-	364,687	229,544	-	229,544
Grants	60,536	-	60,536	165,751	-	165,751
Employee Retention Credit grant revenue	-	-	-	1,283,954	-	1,283,954
Special event revenue	74,235	-	74,235	67,325	-	67,325
Mailing lists	47,981	-	47,981	55,354	-	55,354
Investment return, net	1,249,954	150,262	1,400,216	(3,131,528)	(281,553)	(3,413,081)
Interest income	20,589	-	20,589	15,186	-	15,186
(Loss) gain on interest rate swap agreement	(78,280)	-	(78,280)	963,462	-	963,462
Loss on disposal	-	-	-	(6,388)	-	(6,388)
Contributions	256,284	309,540	565,824	285,759	358,752	644,511
Donated services	150,000	-	150,000	80,000	-	80,000
Net assets released from restrictions	375,237	(375,237)	-	264,089	(264,089)	-
Total Support and Revenue	<u>31,394,151</u>	<u>84,565</u>	<u>31,478,716</u>	<u>24,724,861</u>	<u>(186,890)</u>	<u>24,537,971</u>
Expenses:						
Programs, Grants, and Scholarships	21,727,766	-	21,727,766	19,183,762	-	19,183,762
Supporting Services:						
Management and general	11,183,139	-	11,183,139	9,349,659	-	9,349,659
Fundraising and development	80,703	-	80,703	74,437	-	74,437
Total Supporting Services	<u>11,263,842</u>	<u>-</u>	<u>11,263,842</u>	<u>9,424,096</u>	<u>-</u>	<u>9,424,096</u>
Total Expenses	<u>32,991,608</u>	<u>-</u>	<u>32,991,608</u>	<u>28,607,858</u>	<u>-</u>	<u>28,607,858</u>
Change in net assets and Engage deficit	(1,597,457)	84,565	(1,512,892)	(3,882,997)	(186,890)	(4,069,887)
Net assets, beginning of year	19,597,740	2,041,203	21,638,943	23,480,737	2,228,093	25,708,830
Net assets and Engage deficit, end of year	<u>\$ 18,000,283</u>	<u>\$ 2,125,768</u>	<u>\$ 20,126,051</u>	<u>\$ 19,597,740</u>	<u>\$ 2,041,203</u>	<u>\$ 21,638,943</u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Programs, Grants, and Scholarships	Supporting Services		Total
		Management and General	Fundraising and Development	
Payroll Expenses:				
Salaries and wages	\$ 7,366,840	\$ 4,249,626	\$ -	\$ 11,616,466
Employee benefits	1,105,817	591,856	-	1,697,673
Payroll taxes	556,185	297,256	-	853,441
Total Payroll Expenses	9,028,842	5,138,738	-	14,167,580
Operating Expenses:				
Advertising and promotion	223,977	-	-	223,977
Bank charges and credit card processing	-	518,858	3,910	522,768
Discount on sales	62,529	-	-	62,529
Bad debt expense	261	-	-	261
Computer	240,511	1,456,494	6,990	1,703,995
Conferences	2,603,417	540,951	6,593	3,150,961
Cost of goods sold	1,641,547	-	-	1,641,547
Depreciation and amortization	361,977	235,699	7,211	604,887
Dues and subscriptions	-	-	410	410
Fulfillment and warehousing services	390,436	-	-	390,436
Grants and scholarships	465,532	2,750	-	468,282
Insurance	81,917	59,673	-	141,590
Interest expense	-	394,384	-	394,384
Miscellaneous	146,474	113,081	264	259,819
Postage, freight, and shipping	357,345	1,889	75	359,309
Printing	237,707	10,567	233	248,507
Professional services	1,616,573	1,373,809	10,001	3,000,383
Provision for UBIT	84,431	-	-	84,431
Public relations	39,108	451	-	39,559
Recruitment fees	210	105,490	-	105,700
Stipends	161,926	138,250	-	300,176
Supplies and equipment	73,031	46,760	6,093	125,884
Temporary workers	155,333	99,851	-	255,184
Training	76,648	269,636	-	346,284
Travel	804,067	397,232	10,567	1,211,866
Total Operating Expenses	9,824,957	5,765,825	52,347	15,643,129
Occupancy Expenses:				
Building maintenance	87,724	50,332	5,752	143,808
Depreciation	138,538	79,489	9,084	227,111
Insurance	8,823	5,063	579	14,465
Real estate taxes	142,507	81,767	9,345	233,619
Rent	47,643	30,460	-	78,103
Telephone	2,635	1,512	173	4,320
Utilities	52,203	29,953	3,423	85,579
Total Occupancy Expenses	480,073	278,576	28,356	787,005
Assessment Expenses:				
State/chapter membership dues	474,373	-	-	474,373
ENPC/TNCC	1,919,521	-	-	1,919,521
Total Assessment Expenses	2,393,894	-	-	2,393,894
Total Expenses	\$ 21,727,766	\$ 11,183,139	\$ 80,703	\$ 32,991,608

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Programs, Grants, and Scholarships	Supporting Services		Total
		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	8,054,704	4,685,507	-	12,740,211
Operating Expenses:				
Advertising and promotion	132,236	38	-	132,274
Bank charges and credit card processing	-	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
Interest expense	-	365,951	-	365,951
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	8,197,557	4,355,021	44,439	12,597,017
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	488,013	309,131	29,998	827,142
Assessment Expenses:				
State/chapter membership dues	505,253	-	-	505,253
ENPC/TNCC	1,938,235	-	-	1,938,235
Total Assessment Expenses	2,443,488	-	-	2,443,488
Total Expenses	\$ 19,183,762	\$ 9,349,659	\$ 74,437	\$ 28,607,858

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets and Engage deficit	\$ (1,512,892)	\$ (4,069,887)
Adjustments to reconcile change in net assets and Engage deficit to net cashflows from operating activities:		
Depreciation and amortization of property and equipment	825,298	768,223
Amortization of debt issuance costs	6,700	6,973
Loss (gain) on interest rate swap agreement	78,280	(963,462)
Loss on disposal of property and equipment	-	6,388
Provision for doubtful accounts	(2,620)	(36,279)
Realized and unrealized (gain) loss on investments	(791,571)	3,963,257
Contributions restricted for investment in endowments	(95,824)	(119,608)
Amortization of right-of-use assets under operating leases	88,290	87,108
Interest earned on split dollar life insurance agreement	(20,589)	(15,186)
Changes in:		
Accounts receivable, net	(151,147)	(373,963)
Grants receivable	18,313	(9,261)
Other receivables	1,298,083	(1,230,899)
Inventory	1,317	3,805
Prepaid expenses	(116,725)	215,835
Accounts payable	302,596	(52,953)
Wages and benefits payable	(16,333)	(302,542)
Accrued expenses	147,624	48,980
Credits on customer accounts	49,678	45,044
Assessments payable	25,714	77,731
Deferred revenue	(710,620)	915,556
Obligations under operating leases	(83,846)	(92,746)
Net cash flows from operating activities	<u>(660,274)</u>	<u>(1,127,886)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,308,270)	(1,424,089)
Payments received on mortgage receivable	60,845	57,053
Purchase of investments	(7,506,211)	(14,162,552)
Proceeds from sale and maturities of investments	9,171,209	17,266,763
Net cash flows from investing activities	<u>417,573</u>	<u>1,737,175</u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities:		
Collections of contributions restricted for investment in endowments	\$ 95,824	\$ 119,608
Payments on bonds payable	(344,832)	(344,832)
Net cash flows from financing activities	<u>(249,008)</u>	<u>(225,224)</u>
Net change in cash and cash equivalents	(491,709)	384,065
Cash and cash equivalents, beginning of year	1,809,627	1,425,562
Cash and cash equivalents, end of year	<u>\$ 1,317,918</u>	<u>\$ 1,809,627</u>
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	<u>\$ 20,589</u>	<u>\$ 15,186</u>
Other cash flow information:		
Interest paid	<u>\$ 394,384</u>	<u>\$ 365,951</u>
Income taxes paid	<u>\$ 27,350</u>	<u>\$ 10,000</u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Nature of operations

Emergency Nurses Association and Affiliates (“Association”) consists of Emergency Nurses Association (“ENA”); ENA Foundation (“ENAF”); and ENA Ventures, LLC, which amended their name to ENA Workwell Solutions, LLC (d/b/a Engage – Powered by ENA) (“Engage”).

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 34,000.

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.

Engage was established in 2023 to provide innovative and effective solutions that support emergency nurses in providing the best possible care in a healthy and sustainable work environment. This is achieved through providing comprehensive resources, training, and support to ensure the emergency department is a safe, healthy, and a collaborative workplace for emergency nurses to thrive.

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 (“U.S. GAAP”) as applicable to not-for-profit organizations.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of ENA, ENAF, and Engage. The sole voting member of ENAF and Engage is ENA. Since ENA has control of the ENAF Board of Directors (“ENAF Board”) and Engage Board of Directors (“Engage Board”), U.S. GAAP requires that the financial position and activities of these 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.

Concentrations of Credit Risk – The Association places its cash and cash equivalents on deposit with financial institutions in the United States, which are insured by the Federal Deposit Insurance Corporation for up to \$250,000 for each institution. The Association’s cash balances at times exceeded federally insured limits. At December 31, 2023 and 2022, the Association’s cash accounts exceeded federally insured limits by \$622,628 and \$1,382,199, respectively. The Association has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

The Association maintains its investment in broker accounts which, at times, may exceed federally insured limits. As of December 31, 2023 and 2022, the Association’s uninsured investment balance was \$16,121,476 and \$17,093,326, respectively. The Association believes it is not exposed to any significant credit risk on investments.

Adoption of New Accounting Standard - Credit Losses – In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Association adopted this new accounting standard effective January 1, 2023, and all of the related amendments using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact to the Association’s operating results for the current period due to this standard update.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Significant accounting policies (continued)

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. The allowance for credit losses is based on the Association’s assessment of the collectability of customer accounts receivable. In accordance with Accounting Standards Codification (“ASC”) Topic 326, *Financial Instruments – Credit Losses*, the Association makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated credit losses expected from the inability of its customers to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer’s ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. As of December 31, 2023, the allowance for credit losses was \$139,557.

Accounts receivable from contracts with customers are stated at unpaid balances, less an adjustment for the allowance for doubtful accounts. As of December 31, 2022, the allowance for doubtful accounts is estimated based on the length of time the receivables are outstanding and the anticipated future collectible amounts based on historical experience. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. As of December 31, 2022, the allowance for doubtful accounts was \$136,937.

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 method. As of December 31, 2023 and 2022, 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 consolidated 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 return in the consolidated statement of activities. 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.

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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Significant accounting policies (continued)

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.

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 consolidated 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 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 released from restrictions.

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 consulting services, courses, membership dues, conferences, publications, marketplace, sponsorships, royalties, special events, mailing lists, consulting services income, 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:

	<u>2023</u>	<u>2022</u>
Performance obligations satisfied at a point in time	\$ 24,442,822	\$ 19,583,136
Performance obligations satisfied over time	4,917,009	5,221,440

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Significant accounting policies (continued)

Revenues from performance obligations satisfied at a point in time consist of revenues from consulting services, 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 consulting services, control transfers to the customer at the time of the service. 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 the average career span of an emergency professional is 13 years and recognizes lifetime memberships over a 13-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.

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, 2023 and 2022 are included in deferred revenue on the consolidated statements of financial position.

For performance obligations related to consulting services income, control transfers to the customer at a point in time. Consulting services income occurs when training and support is provided.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Significant accounting policies (continued)

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,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>January 1,</u> <u>2022</u>
Accounts receivable, gross	\$ 2,138,641	\$ 1,982,254	\$ 1,608,291
Deferred revenue	4,102,981	4,813,601	3,898,045

Contributions – 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 or release, are not recognized until the conditions on which they depend have been substantially met. As of December 31, 2023 and 2022, 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. Pledges receivable expected to be collected in more than one year are valued at the present value of future cash flows using a credit risk adjusted discount rate. All contributions are expected to be collected in one year or less. There were no contributions not collected for the years ended December 31, 2023 and 2022.

Employee Retention Credit – The provisions of the Coronavirus Aid, Relief, and Economic Security 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 year 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 received the funds during 2023.

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 UBIT for the years ended December 31, 2023 and 2022 amounted to \$84,431 and \$63,055, respectively. Provision for UBIT expense is included in programs, grants, and scholarship expense on the consolidated statements of functional expenses.

Engage is a single member LLC electing to be treated as a corporation. Deferred income taxes are recognized for temporary differences between the basis of assets and liabilities for consolidated financial statement and income tax purposes. Engage’s provision for income taxes differs from applying the statutory U.S. corporate income tax rates to income before income taxes. There were no deferred or income tax expenses for the year ending December 31, 2023.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Significant accounting policies (continued)

Management has concluded that as of December 31, 2023 and 2022, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated 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 2020.

Advertising – Advertising costs are expensed as incurred. Advertising expense was \$223,977 and \$132,274 for the years ended December 31, 2023 and 2022, respectively.

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.

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.

The 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 include 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 it will exercise the option.

Subsequent Events – Subsequent to year, Engage was dissolved in March 2025. There have been no other subsequent events through April 15, 2025, the date the financial statements were available to be issued.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,317,918	\$ 1,809,627
Accounts receivable, net	1,999,084	1,845,317
Grants receivable	9,360	27,673
Other receivables	-	1,298,083
Mortgage receivable, current portion	55,888	60,844
Investments	<u>16,426,901</u>	<u>17,300,328</u>
Total financial assets	<u>19,809,151</u>	<u>22,341,872</u>
Less amounts not available for general expenditures within one year due to:		
Donor-restricted for a specific purpose	644,898	656,155
Perpetual restrictions	1,480,870	1,385,048
Board-designated endowment	1,787,096	1,649,769
Board-designated for a specific purpose	110,992	89,908
Board-designated reserve fund	<u>501,910</u>	<u>501,910</u>
Total amounts not available for general expenditures within one year	<u>4,525,766</u>	<u>4,282,790</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 15,283,385</u>	<u>\$ 18,059,082</u>

The Association's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. As of December 31, 2023 and 2022, donor-restricted endowment funds were not available for general expenditure.

The Association's board-designated endowment of \$1,787,096 and \$1,649,769 at December 31, 2023 and 2022, 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, 2023 and 2022, there was a balance of \$110,992 and \$89,908, respectively, with this designation.

Additionally, the ENA Board has designated funds within the parameters of the ENA spending policy for utilizing reserves on identified projects. At December 31, 2023 and 2022 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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 3—Liquidity and availability (continued)

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 (see Note 8).

Note 4—Property and equipment

Property and equipment at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</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	178,598
Program development	1,684,727	1,246,992
Furniture and fixtures	1,283,098	1,283,098
Computer software	<u>2,883,144</u>	<u>5,122,465</u>
Total property and equipment	16,439,516	18,241,102
Less accumulated depreciation	<u>(3,224,801)</u>	<u>(5,509,359)</u>
Property and equipment, net	<u>\$ 13,214,715</u>	<u>\$ 12,731,743</u>

Depreciation expense of property and equipment was \$584,464 and \$498,019 for the years ended December 31, 2023 and 2022, respectively. In addition, the Association amortized development costs (included in programs, grants, and scholarship expenses) for the years ended December 31, 2023 and 2022 in the amounts of \$240,834 and \$270,204, 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, 2023 and 2022, 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 of August 31, 2025. 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, 2023 and 2022 was \$76,927 and \$71,662, 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.

The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer’s ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Mortgage receivable is written off when there is no reasonable expectation of recovery. As of December 31, 2023 and 2022, the Association deemed an allowance for credit losses was immaterial and therefore unnecessary.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 (the “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, 2023 comprised of the following:

Balance beginning of year	\$ 915,090	\$ -
Initial principal amount	-	899,904
Accrued interest	<u>20,589</u>	<u>15,186</u>
Total split dollar life insurance end of year	<u>\$ 935,679</u>	<u>\$ 915,090</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.

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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7—Fair value measurements (continued)

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 are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022:

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 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:

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds:				
Money market funds	\$ 343,048	\$ -	\$ -	\$ 343,048
Bond funds	5,572,541	-	-	5,572,541
Equity funds	4,000,527	-	-	4,000,527
Exchange traded funds	7,185,714	-	-	7,185,714
Total investments	17,101,830	-	-	17,101,830
Interest rate swap	-	179,362	-	179,362
Total assets in the fair value hierarchy	\$ 17,101,830	\$ 179,362	\$ -	\$ 17,281,192

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7—Fair value measurements (continued)

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
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
Total investments	<u>18,087,744</u>	<u>-</u>	<u>-</u>	<u>18,087,744</u>
Interest rate swap	<u>-</u>	<u>257,642</u>	<u>-</u>	<u>257,642</u>
Total assets in the fair value hierarchy	<u>\$ 18,087,744</u>	<u>\$ 257,642</u>	<u>\$ -</u>	<u>\$ 18,345,386</u>

As of December 31, 2023, \$674,929 of the \$17,101,830 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. 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, 2023 and 2022, 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, 2025 and bears interest at prime (8.5% at December 31, 2023) minus .75%. The line of credit matures in December 2025. The outstanding balance on the line of credit was \$1,099,209 at December 31, 2023 and 2022.

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, 2023 and 2022, this covenant was met.

Note 9—Bond payable

On December 21, 2017, a Series 2017 Industrial Revenue Bond (the "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, Illinois. The maturity date of the Bond is December 21, 2047.

The Association has a note with a bank that bears interest at variable rates throughout the life of the bond. As of December 31, 2023, the interest rate on the Bond is 5.71%. The Bond requires monthly payments of \$28,736 and has a maturity date of December 2027 with a balloon payment of all unpaid principal and interest. The balance outstanding at December 31, 2023 and 2022 was \$8,275,840 and \$8,620,672, respectively.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022 was \$6,700 and \$6,973, 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, 2023 and 2022 was an asset of \$179,362 and \$257,642, respectively. 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, 2023 and 2022 consisted of the following:

	2023			2022		
	Principal	Debt Issue		Principal	Debt Issue	
		Costs	Net		Costs	Net
Bond	\$ 8,275,840	\$ 78,899	\$ 8,196,941	\$ 8,620,672	\$ 85,599	\$ 8,535,073
Less current portion	(344,832)	(6,427)	(338,405)	(344,832)	(6,700)	(338,132)
Long-term debt	<u>\$ 7,931,008</u>	<u>\$ 72,472</u>	<u>\$ 7,858,536</u>	<u>\$ 8,275,840</u>	<u>\$ 78,899</u>	<u>\$ 8,196,941</u>

Principal payments due on Bond payable are as follows:

2024	\$	344,832
2025		344,842
2026		344,842
2027		7,241,324
	<u>\$</u>	<u>8,275,840</u>

Note 10—Leases

As of and for the years ended December 31, 2023 and 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 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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 10—Leases (continued)

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 non-lease 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, 2023 and 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 years ended December 31 was as follows:

	<u>2023</u>	<u>2022</u>
Operating leases:		
Fixed rent expense	\$ 92,567	\$ 92,567

Aggregate future minimum lease payments and the present value of net future minimum payments at December 31, 2023 is as follows:

2024	\$ 90,118
2025	87,345
2026	82,703
2027	<u>21,958</u>
	282,124
Less interest	<u>(5,917)</u>
	<u>\$ 276,207</u>

As of December 31, 2023 and 2022, the weighted-average remaining lease term for all operating leases is 3.16 and 4.13 years, respectively. 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, 2023 and 2022 is 1.36%.

Note 11—Retirement plan

ENA has a 401(k) defined contribution retirement savings plan (the “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. ENA’s contribution is funded on a current basis. There were no profit sharing contributions for 2023 or 2022. Total contributions to the Plan for the years ended December 31, 2023 and 2022 totaled \$382,119 and \$321,253, respectively.

EMERGENCY NURSES ASSOCIATION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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, 2023 are as follows:

2024	\$ 2,910,400
2025	901,554
2026	801,709
2027	153,332
2028	428,532
	<u>\$ 5,195,527</u>

Note 13—Endowment

The Association's endowment includes 3 board-designated endowments established for the ENAF and 21 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 AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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, 2023 or 2022.

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,787,096	\$ -	\$ 1,787,096
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	1,480,870	1,480,870
Accumulated investment gains	-	306,201	306,201
Total endowment net assets	<u>\$ 1,787,096</u>	<u>\$ 1,787,071</u>	<u>\$ 3,574,167</u>

Changes in endowment net assets for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2022	\$ 1,649,769	\$ 1,682,484	\$ 3,332,253
Investment return, net	141,327	150,263	291,590
Appropriation of endowment assets for expenditures	(4,000)	(141,500)	(145,500)
Contributions	-	95,824	95,824
Endowment net assets, December 31, 2023	<u>\$ 1,787,096</u>	<u>\$ 1,787,071</u>	<u>\$ 3,574,167</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 13—Endowment (continued)

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 AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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:

	<u>2023</u>	<u>2022</u>
Karen O'Neil Endowed Scholarship Fund	\$ 116,783	\$ 111,793
New York State September 11 Endowment Fund	149,214	143,989
Judith C. Kelleher Memorial Endowment Fund	142,905	134,771
Anita Dorr Memorial Endowment Fund	6,523	4,843
Jeanette Ash Endowed Scholarship Fund	76,516	64,834
Richard Wynkoop Scholarship Fund	66,983	55,267
Elizabeth B. Moore Memorial Fund for Scholarships	131,041	126,363
Texas Endowed Scholarship Fund	217,882	208,959
Mildred Fincke Memorial Endowed Scholarship Fund	39,102	32,603
Joan Eberhardt Endowed Scholarship Fund	58,549	55,156
Peggy McCall Fund	28,872	27,536
Jeff Solheim International Endowment	34,352	31,334
Gracen Brooke Oglesby Pediatric Fund	25,999	22,597
Castner and Spencer Family Research Fund	28,196	25,742
Patricia Kunz Howard Endowed Scholarship Fund	49,696	33,525
Virginia ENA State Council Endowed Scholarship Fund	31,602	24,483
HoosiER ENA Scholarship Fund	24,881	22,604
Illinois ENA Thelma Kuska Endowment Fund	41,224	33,220
Minnesota Pathways Scholarship Fund	52,325	12,000
Barbara Ann Stout Fund	26,710	24,543
General Endowment Fund	<u>437,716</u>	<u>486,322</u>
Total endowments	1,787,071	1,682,484
Purpose restricted contributions	<u>338,697</u>	<u>358,719</u>
Total net assets with donor restrictions	<u>\$ 2,125,768</u>	<u>\$ 2,041,203</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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 374,638	\$ 264,089
Emergency Relief Fund (COVID-Relief)	599	-
Total net assets released from restrictions	<u>\$ 375,237</u>	<u>\$ 264,089</u>

Note 15—Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements. These reclassifications had no effect on the change in net assets or cash flows.

SUPPLEMENTARY INFORMATION

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 425,228	\$ 1,033,055
Accounts receivable, net	1,975,249	1,837,751
Grants receivable	9,360	27,673
Due from affiliate	216,188	5,693
Other receivables	-	1,298,083
Mortgage receivable	55,888	60,844
Inventory	49,400	50,717
Prepaid expenses	1,000,201	457,555
Total Current Assets	<u>3,731,514</u>	<u>4,771,371</u>
Property and Equipment, Net	<u>13,214,715</u>	<u>12,730,565</u>
Other Assets:		
Prepaid expenses, net of current portion	106,660	534,782
Mortgage receivable, net of current portion	1,639,963	1,695,852
Interest rate swap asset	179,362	257,642
Split-dollar life insurance asset	935,679	915,090
Right-of-use assets under operating lease agreements	277,401	365,691
Investment in Engage	1,200,000	-
Investments	12,089,272	13,332,058
Total Other Assets	<u>16,428,337</u>	<u>17,101,115</u>
Total Assets	<u><u>\$ 33,374,566</u></u>	<u><u>\$ 34,603,051</u></u>

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 911,314	\$ 670,124
Wages and benefits payable	795,978	812,311
Accrued expenses	655,901	508,277
Credits on customer accounts	143,017	93,339
Assessments payable	844,945	819,231
Line of credit	1,099,209	1,099,209
Current portion of deferred revenue	2,654,853	3,412,453
Current portion of obligations under operating leases	86,994	83,846
Current portion of bond payable	338,405	338,132
Total Current Liabilities	<u>7,530,616</u>	<u>7,836,922</u>
Long-Term Liabilities:		
Deferred revenue, net of current portion	1,439,128	1,401,148
Obligations under operating leases, net of current portion	189,213	276,207
Bond payable, net of current portion	7,858,536	8,196,941
Total Long-Term Liabilities	<u>9,486,877</u>	<u>9,874,296</u>
Total Liabilities	<u>17,017,493</u>	<u>17,711,218</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	15,855,163	16,389,923
Board-designated	501,910	501,910
Total Without Donor Restrictions	<u>16,357,073</u>	<u>16,891,833</u>
Total Net Assets	<u>16,357,073</u>	<u>16,891,833</u>
Total Liabilities and Net Assets	<u>\$ 33,374,566</u>	<u>\$ 34,603,051</u>

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Support and Revenue:		
Courses	\$ 20,013,778	\$ 15,736,924
Membership dues	4,135,792	4,550,348
Conferences	2,723,847	2,585,904
Publications	678,838	561,578
Marketplace	434,730	414,477
Sponsorships	534,000	397,475
Royalties	194,443	205,647
Other	364,676	229,534
Grants	60,536	165,751
Employee Retention Credit grant revenue	-	1,283,954
Mailing lists	47,981	55,354
Investment return, net	1,072,636	(2,731,942)
Interest income	20,589	15,186
(Loss) gain on interest rate swap agreement	(78,280)	963,462
Loss on disposal	-	(6,388)
Donated services	150,000	80,000
Total Support and Revenue	<u>30,353,566</u>	<u>24,507,264</u>
Expenses:		
Programs, Grants, and Scholarships	<u>20,348,410</u>	<u>18,319,646</u>
Supporting Services:		
Management and general	10,040,222	9,290,980
Fundraising and development	499,694	469,085
Total Supporting Services	<u>10,539,916</u>	<u>9,760,065</u>
Total Expenses	<u>30,888,326</u>	<u>28,079,711</u>
Change in net assets	(534,760)	(3,572,447)
Net assets, beginning of year	<u>16,891,833</u>	<u>20,464,280</u>
Net assets, end of year	<u>\$ 16,357,073</u>	<u>\$ 16,891,833</u>

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Programs, Grants, and Scholarships	Supporting Services		Total
		Management and General	Fundraising and Development	
Payroll Expenses:				
Salaries and wages	\$ 6,822,334	\$ 3,864,081	\$ -	\$ 10,686,415
Employee benefits	\$1,101,023	\$578,405	-	1,679,428
Payroll taxes	550,291	280,717	-	831,008
Total Payroll Expenses	8,473,648	4,723,203	-	13,196,851
Operating Expenses:				
Advertising and promotion	223,977	-	-	223,977
Bank charges and credit card processing	-	516,767	-	516,767
Discount on sales	62,529	-	-	62,529
Bad debt expense	261	-	-	261
Computer	236,211	1,434,276	-	1,670,487
Conferences	2,602,727	522,565	-	3,125,292
Cost of goods sold	1,641,547	-	-	1,641,547
Depreciation and amortization	361,977	234,521	7,211	603,709
Fulfillment and warehousing services	390,436	-	-	390,436
Grants and scholarships	-	2,750	464,127	466,877
Insurance	81,917	59,193	-	141,110
Interest expense	-	394,384	-	394,384
Miscellaneous	146,474	105,991	-	252,465
Postage, freight, and shipping	357,317	820	-	358,137
Printing	237,707	7,907	-	245,614
Professional services	1,334,796	831,292	-	2,166,088
Provision for UBIT	84,431	-	-	84,431
Public relations	39,108	451	-	39,559
Recruitment fees	210	105,480	-	105,690
Stipends	159,426	138,250	-	297,676
Supplies and equipment	73,025	39,267	-	112,292
Temporary workers	155,333	99,851	-	255,184
Training	76,648	227,481	-	304,129
Travel	734,738	317,197	-	1,051,935
Total Operating Expenses	9,000,795	5,038,443	471,338	14,510,576
Occupancy Expenses:				
Building maintenance	87,724	50,332	5,752	143,808
Depreciation	138,538	79,489	9,084	227,111
Insurance	8,823	5,063	579	14,465
Real estate taxes	142,507	81,767	9,345	233,619
Rent	47,643	30,460	-	78,103
Telephone	2,635	1,512	173	4,320
Utilities	52,203	29,953	3,423	85,579
Total Occupancy Expenses	480,073	278,576	28,356	787,005
Assessment Expenses:				
State/chapter membership dues	474,373	-	-	474,373
ENPC/TNCC	1,919,521	-	-	1,919,521
Total Assessment Expenses	2,393,894	-	-	2,393,894
Total Expenses	\$ 20,348,410	\$ 10,040,222	\$ 499,694	\$ 30,888,326

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Programs, Grants, and Scholarships	Supporting Services		Total
		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	-	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
Interest expense	-	365,951	-	365,951
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>4,296,342</u>	<u>439,087</u>	<u>12,498,436</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>\$ 9,290,980</u>	<u>\$ 469,085</u>	<u>\$ 28,079,711</u>

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (534,760)	\$ (3,572,447)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization of property and equipment	824,120	766,205
Amortization of debt issuance costs	6,700	6,973
Loss (gain) on interest rate swap agreement	78,280	(963,462)
Loss on disposal of property and equipment	-	6,388
Provision for credit allowance	(2,620)	(36,279)
Realized and unrealized (gain) loss on investments	(604,968)	3,171,857
Amortization of right-of-use assets under operating leases	88,290	87,108
Interest earned on split dollar life insurance agreement	(20,589)	(15,186)
Changes in:		
Accounts receivable, net	(134,878)	(389,680)
Grants receivable	18,313	(9,261)
Due from affiliate	(210,495)	(2,197)
Other receivables	1,298,083	(1,230,899)
Inventory	1,317	3,805
Prepaid expenses	(114,524)	220,135
Accounts payable	241,190	(56,541)
Wages and benefits payable	(16,333)	(302,542)
Accrued expenses	147,624	48,980
Credits on customer accounts	49,678	45,044
Assessments payable	25,714	77,731
Deferred revenue	(719,620)	915,556
Obligations under operating leases	(83,846)	(92,746)
Net cash flows from operating activities	<u>336,676</u>	<u>(1,321,458)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,308,270)	(1,424,089)
Payments received on mortgage receivable	60,845	57,053
Investment in Engage	(1,200,000)	-
Purchase of investments	(6,177,772)	(12,183,881)
Proceeds from sale and maturities of investments	8,025,526	15,442,047
Net cash flows from investing activities	<u>(599,671)</u>	<u>1,891,130</u>

See report of independent auditor.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities:		
Payments on bonds payable	\$ (344,832)	\$ (344,832)
Net change in cash and cash equivalents	(607,827)	224,840
Cash and cash equivalents, beginning of year	<u>1,033,055</u>	<u>808,215</u>
Cash and cash equivalents, end of year	<u>\$ 425,228</u>	<u>\$ 1,033,055</u>
Noncash investing transactions:		
Initial principal amount of promissory note for collateral assignment split-dollar agreement	<u>\$ -</u>	<u>\$ 899,904</u>
Interest accrued on split-dollar life insurance asset	<u>\$ 20,589</u>	<u>\$ 15,186</u>
Other cash flow information:		
Interest paid	<u>\$ 394,384</u>	<u>\$ 365,951</u>
Income taxes paid	<u>\$ 27,350</u>	<u>\$ 10,000</u>

See report of independent auditor.

ENA FOUNDATION
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 761,212	\$ 776,572
Accounts receivable, net	5,835	7,566
Prepaid expenses	6,000	4,300
Total Current Assets	<u>773,047</u>	<u>788,438</u>
Property and Equipment, Net	<u>-</u>	<u>1,178</u>
Other Assets:		
Investments	4,337,629	3,968,270
Total Assets	<u>\$ 5,110,676</u>	<u>\$ 4,757,886</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 9,929	\$ 5,083
Due to affiliate	14,424	5,693
Total Current Liabilities	<u>24,353</u>	<u>10,776</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,062,467	966,230
Board-designated	1,898,088	1,739,677
Total Without Donor Restrictions	<u>2,960,555</u>	<u>2,705,907</u>
With Donor Restrictions	<u>2,125,768</u>	<u>2,041,203</u>
Total Net Assets	<u>5,086,323</u>	<u>4,747,110</u>
Total Liabilities and Net Assets	<u>\$ 5,110,676</u>	<u>\$ 4,757,886</u>

See report of independent auditor.

ENA FOUNDATION
STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions	\$ 256,284	\$ 309,540	\$ 565,824	\$ 285,759	\$ 358,752	\$ 644,511
Special event revenue	74,235	-	74,235	67,325	-	67,325
Contributed services from affiliate	464,127	-	464,127	429,566	-	429,566
Investment return, net	177,318	150,262	327,580	(399,586)	(281,553)	(681,139)
Other	11	-	11	10	-	10
Net assets released from restrictions	375,237	(375,237)	-	264,089	(264,089)	-
Total Support and Revenue	1,347,212	84,565	1,431,777	647,163	(186,890)	460,273
Expenses:						
Programs, Grants, and Scholarships	645,037	-	645,037	572,564	-	572,564
Supporting Services:						
Management and general	262,510	-	262,510	217,953	-	217,953
Fundraising and development	185,017	-	185,017	167,196	-	167,196
Total Supporting Services	447,527	-	447,527	385,149	-	385,149
Total Expenses	1,092,564	-	1,092,564	957,713	-	957,713
Change in net assets	254,648	84,565	339,213	(310,550)	(186,890)	(497,440)
Net assets, beginning of year	2,705,907	2,041,203	4,747,110	3,016,457	2,228,093	5,244,550
Net assets, end of year	\$ 2,960,555	\$ 2,125,768	\$ 5,086,323	\$ 2,705,907	\$ 2,041,203	\$ 4,747,110

See report of independent auditor.

ENA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Programs, Grants, and Scholarships	Supporting Services		Total
		Management and General	Fundraising and Development	
Operating Expenses:				
Bank charges and credit card processing fees	\$ -	\$ -	\$ 3,910	\$ 3,910
Computer	4,300	2,742	6,990	14,032
Conferences	690	7,850	6,593	15,133
Dues/Subscriptions	-	-	410	410
Depreciation and amortization	-	1,178	-	1,178
Grants and scholarships	465,532	-	-	465,532
Insurance	-	480	-	480
Miscellaneous	-	445	264	709
Postage, freight, and shipping	28	735	75	838
Printing	-	1,500	233	1,733
Professional services	136,073	199,036	149,882	484,991
Recruitment fees	-	10	-	10
Stipends	2,500	-	-	2,500
Supplies and equipment	6	1,921	6,093	8,020
Travel	35,908	46,613	10,567	93,088
Total Operating Expenses	\$ 645,037	\$ 262,510	\$ 185,017	\$ 1,092,564

See report of independent auditor.

ENA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Programs, Grants, and Scholarships	Supporting Services		Total
		Management and General	Fundraising and Development	
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
Total Operating Expenses	<u>\$ 572,564</u>	<u>\$ 217,953</u>	<u>\$ 167,196</u>	<u>\$ 957,713</u>

See report of independent auditor.

ENA FOUNDATION
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 339,213	\$ (497,440)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation of property and equipment	1,178	2,018
Net realized and unrealized (gain) loss on investments	(186,603)	791,400
Contributions restricted for investment in endowment	(95,824)	(119,608)
Changes in:		
Accounts receivable, net	1,731	15,717
Prepaid expenses	(1,700)	(4,300)
Accounts payable	4,846	3,588
Due to affiliate	8,731	2,197
Net cash flows from operating activities	<u>71,572</u>	<u>193,572</u>
Cash flows from investing activities:		
Purchases of investments	(1,328,439)	(1,978,671)
Proceeds from sale and maturities of investments	<u>1,145,683</u>	<u>1,824,716</u>
Net cash flows from investing activities	<u>(182,756)</u>	<u>(153,955)</u>
Cash flows from financing activities:		
Contributions restricted for long-term purposes - endowment	<u>95,824</u>	<u>119,608</u>
Net change in cash and cash equivalents	(15,360)	159,225
Cash and cash equivalents, beginning of year	<u>776,572</u>	<u>617,347</u>
Cash and cash equivalents, end of year	<u>\$ 761,212</u>	<u>\$ 776,572</u>

See report of independent auditor.

ENGAGE
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$	131,478
Accounts receivable, net		18,000
Prepaid expenses		501
Total Current Assets		<u>149,979</u>

Total Assets \$ 149,979

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	56,560
Due to affiliate		201,764
Deferred revenue		9,000
Total Current Liabilities		<u>267,324</u>

Net Assets:

Engage deficit		<u>(117,345)</u>
Total Liabilities and Net Assets	\$	<u>149,979</u>

See report of independent auditor.

ENGAGE
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

Consulting service	\$ 157,500
Operating expenses	<u>1,474,845</u>
Net Loss	(1,317,345)
Engage, beginning of year	-
Capital contributions	<u>1,200,000</u>
Engage deficit, end of year	<u><u>\$ (117,345)</u></u>

See report of independent auditor.

ENGAGE
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Programs, Grants, and Scholarships	Supporting Services		Total
		Management and General	Fundraising and Development	
Payroll Expenses:				
Salaries and wages	\$ 80,379	\$ 385,545	\$ -	\$ 465,924
Employee benefits	4,794	13,451	-	18,245
Payroll taxes	5,894	16,539	-	22,433
Total Payroll Expenses	91,067	415,535	-	506,602
Non-Payroll Expenses:				
Bank charges and credit card processing	-	2,091	-	2,091
Computer	-	19,476	-	19,476
Conferences	-	10,536	-	10,536
Miscellaneous	-	6,645	-	6,645
Postage, freight, and shipping	-	334	-	334
Printing	-	1,160	-	1,160
Professional services	281,543	531,888	-	813,431
Supplies and equipment	-	5,572	-	5,572
Training	-	42,155	-	42,155
Travel	33,421	33,422	-	66,843
Total Non-Payroll Expenses	314,964	653,279	-	968,243
Total Operating Expenses	\$ 406,031	\$ 1,068,814	\$ -	\$ 1,474,845

See report of independent auditor.

ENGAGE
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

Cash flows from operating activities:

Net loss	\$ (1,317,345)
Adjustments to reconcile net losses to net cash flows from operating activities:	
Changes in:	
Accounts receivable	(18,000)
Prepaid expenses	(501)
Accounts payable	56,560
Due to affiliate	201,764
Deferred revenue	9,000
Net cash flows from operating activities	<u>(1,068,522)</u>

Cash flows from investing activities:

Contributions from affiliate	<u>1,200,000</u>
Net change in cash and cash equivalents	131,478
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 131,478</u></u>

See report of independent auditor.