AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

Consolidated Financial Statements and Supplementary Information

For the Years Ended December 31, 2019 and 2018

and
Report Thereon

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

TABLE OF CONTENTS
For the Years Ended December 31, 2019 and 2018

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
American Nurses Association, Inc.
and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the American Nurses Association, Inc. (the Association) and its Affiliates, the American Nurses Foundation, Inc. (the Foundation), the American Nurses Credentialing Center (ANCC), the American Academy of Nursing (the Academy), the American Nurses Association – Political Action Committee (the PAC) and the American Nurses Association – Service Corp (the Service Corp) (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of American Academy of Nursing, a controlled affiliate, which reflect total assets of $7,508,973 and $6,320,814 as of December 31, 2019 and 2018, respectively, and total revenue and support of $4,390,797 and $3,891,864 for the years ended December 31, 2019 and 2018, respectively. Those statements were audited by other auditors, whose reports have been furnished to, and our opinion, insofar as it relates to the amounts included for American Academy of Nursing, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair

Continued

presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 2019 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the American Nurses Association, Inc. and Affiliates, as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The 2018 consolidated financial statements of the Organization as of December 31, 2018, were audited by other auditors whose report dated September 23, 2019, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information 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 audit 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.

Marcum LLP

Washington, DC
September 30, 2020

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

(in Thousands)

		2019		2018
ASSETS				
Cash and cash equivalents	$	6,171	$	7,391
Accounts receivable, net		3,524		3,518
Grants and contributions receivable, net		1,386		837
Inventory		223		222
Prepaid expenses and other assets		2,477		1,766
Investments		68,429		49,254
Investment in LLC		1,000		1,000
Property and equipment, net		9,479		11,090
TOTAL ASSETS	$	92,689	$	75,078
LIABILITIES AND NET ASSETS				
Liabilities				
Dues collected on behalf of Constituent/State Nurses Association	$	855	$	817
Accounts payable and accrued expenses		3,561		3,331
Accrued salary, vacation, pension obligation and related expenses		12,774		11,829
Grants payable		44		45
Deferred revenue and refundable advances		3,907		3,350
Deferred rent and lease incentive		2,645		2,935
TOTAL LIABILITIES		23,786		22,307
Net Assets				
Without donor restrictions				
Undesignated		18,251		44,699
Designated		44,293		2,383
Total Net Assets Without Donor Restrictions		62,544		47,082
With donor restrictions		6,359		5,689
TOTAL NET ASSETS		68,903		52,771
TOTAL LIABILITIES AND NET ASSETS	$	92,689	$	75,078

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2019 and 2018

(in Thousands)

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Credentialing services and programs	$ 41,441	$ -	$ 41,441	$ 36,124	$ -	$ 36,124
Membership dues	19,791	-	19,791	18,667	137	18,804
Conference fees	15,780	-	15,780	15,567	393	15,960
Products and services	6,749	-	6,749	7,132	17	7,149
Contributions, grants and contracts	2,176	1,872	4,048	2,062	1,958	4,020
Publications sales	1,771	-	1,771	1,918	-	1,918
Other income	545	-	545	600	5	605
Rental income	421	-	421	484	-	484
Net assets released from restrictions:						
Satisfaction of program and time restrictions	2,046	(2,046)	-	2,675	(2,675)	-
TOTAL REVENUE AND SUPPORT	90,720	(174)	90,546	85,229	(165)	85,064
EXPENSES						
Program Services:						
Certification	16,370	-	16,370	12,710	-	12,710
Recognition programs	13,824	-	13,824	10,727	-	10,727
Products and conferences	13,656	-	13,656	14,434	-	14,434
Member services and programs	7,177	-	7,177	7,751	-	7,751
Programs and special initiatives	4,960	-	4,960	6,249	-	6,249
Accreditation	2,534	-	2,534	1,659	-	1,659
Grant award programs	2,416	-	2,416	2,919	-	2,919
Services and programs	1,274	-	1,274	1,469		1,469
Contributions to Political Candidates	223	-	223	309	-	309
Total Program Services	62,434	-	62,434	58,227	-	58,227
Supporting Services:						
Governance and general administration	19,544	-	19,544	20,499	-	20,499
Fundraising	419	-	419	337	-	337
Total Supporting Services	19,963	-	19,963	20,836	-	20,836
TOTAL EXPENSES	82,397	-	82,397	79,063	-	79,063
Change in Net Assets From Operations	8,323	(174)	8,149	6,166	(165)	6,001
NONOPERATING ITEMS						
Investment return	7,766	844	8,610	(2,326)	(228)	(2,554)
Investment income from LLC	252	-	252	252	-	252
Pension-related changes other than net periodic pension cost	(879)	-	(879)	(114)	-	(114)
TOTAL NONOPERATING ITEMS	7,139	844	7,983	(2,188)	(228)	(2,416)
CHANGE IN NET ASSETS	15,462	670	16,132	3,978	(393)	3,585
NET ASSETS, BEGINNING OF YEAR	47,082	5,689	52,771	43,104	6,082	49,186
NET ASSETS, END OF YEAR	$ 62,544	$ 6,359	$ 68,903	$ 47,082	$ 5,689	$ 52,771

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

(in Thousands)

	Program Services										Supporting Services			
	Certification	Recognition Programs	Products and Conferences	Member Services and Programs	Programs and Special Initiatives	Accreditation	Grant Award Programs	Services and Programs	Contributions to Political Candidates	Total Program Services	Governance and General Administration	Fundraising	Total Supporting Services	Total Expenses
Compensation	$ 5,205	$ 3,955	$ 2,630	$ 1,311	$ 2,076	$ 913	$ 390	$ 576	$ -	$ 17,056	$ 5,157	$ 203	$ 5,360	$ 22,416
Fringe benefits	3,043	2,313	1,471	693	1,214	534	209	35	-	9,512	2,825	85	2,910	12,422
Temporary help	327	176	144	22	16	29	88	-	-	802	513	44	557	1,359
Professional fees	3,127	4,018	1,942	2,059	777	327	205	38	-	12,493	2,475	16	2,491	14,984
Travel	451	580	2,230	70	254	201	173	44	-	4,003	759	29	788	4,791
Postage and fulfillment	396	24	98	806	6	4	4	-	-	1,338	67	-	67	1,405
Printing and advertising	442	387	613	1,000	58	67	47	-	-	2,614	1,168	8	1,176	3,790
Data and voice services, and office supplies	344	199	465	697	54	35	12	49	-	1,855	618	8	626	2,481
Facilities, equipment, software and insurance	1,234	1,006	668	174	107	198	74	114	-	3,575	3,321	15	3,336	6,911
Depreciation and amortization	680	574	358	83	57	105	20	17	-	1,894	1,891	4	1,895	3,789
Dues, subscription, and registration fees	138	85	105	39	125	38	13	29	-	572	249	5	254	826
Grant awards	54	69	27	6	79	8	964	172	-	1,379	140	(3)	137	1,516
Contributions	11	9	5	1	36	2	-	-	223	287	28	-	28	315
Meeting expenses	39	91	2,250	93	14	10	17	185	-	2,699	136	-	136	2,835
Interest expense, bank and credit card fees	647	107	379	13	10	18	3	-	-	1,177	429	1	430	1,607
Write-off	22	18	11	3	2	3	1	-	-	60	60	-	60	120
Other expenses	210	213	260	107	75	42	196	15	-	1,118	587	4	591	1,709
TOTAL EXPENSES	16,370	13,824	13,656	7,177	4,960	2,534	2,416	1,274	223	62,434	20,423	419	20,842	83,276
Less: Non-Operating Pension	-	-	-	-	-	-	-	-	-	-	(879)	-	(879)	(879)
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	$ 16,370	$ 13,824	$ 13,656	$ 7,177	$ 4,960	$ 2,534	$ 2,416	$ 1,274	$ 223	$ 62,434	$ 19,544	$ 419	$ 19,963	$ 82,397

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

(in Thousands)

	Program Services										Supporting Services			
	Certification	Recognition Programs	Products and Conferences	Member Services and Programs	Programs and Special Initiatives	Accreditation	Grant Award Programs	Services and Programs	Contributions to Political Candidates	Total Program Services	Governance and General Administration	Fundraising	Total Supporting Services	Total Expenses
Compensation	$ 4,356	$ 3,101	$ 2,887	$ 1,587	$ 2,450	$ 582	$ 515	$ 579	$ -	$ 16,057	$ 5,527	$ 154	$ 5,681	$ 21,738
Fringe benefits	2,199	1,587	1,336	734	1,221	300	232	16	-	7,625	2,630	24	2,654	10,279
Temporary help	481	43	105	85	70	4	137	-	-	925	141	28	169	1,094
Professional fees	2,734	3,801	1,873	2,462	1,189	226	501	31	-	12,817	3,234	37	3,271	16,088
Travel	243	487	2,088	97	295	249	84	53	-	3,596	624	14	638	4,234
Postage and fulfillment	197	22	68	353	6	3	2	-	-	651	51	1	52	703
Printing and advertising	276	222	573	893	110	32	48	7	-	2,161	1,046	8	1,054	3,215
Data and voice services, and office supplies	386	231	822	601	141	33	41	56	-	2,311	685	16	701	3,012
Facilities, equipment, software and insurance	706	528	721	349	288	81	108	106	-	2,887	2,999	20	3,019	5,906
Depreciation and amortization	352	297	354	185	154	46	59	14	-	1,461	1,692	2	1,694	3,155
Dues, subscription, and registration fees	113	62	103	89	142	20	22	25	-	576	277	3	280	856
Grant awards	21	18	27	12	9	3	1,018	212	-	1,320	101	-	101	1,421
Contributions	10	9	18	15	7	1	2	-	309	371	473	-	473	844
Meeting expenses	12	56	2,702	78	24	3	68	338	-	3,281	58	1	59	3,340
Interest expense, bank and credit card fees	512	125	322	97	54	23	21	19	-	1,173	591	21	612	1,785
Write-off	13	11	13	7	6	2	2	-	-	54	60	-	60	114
Other expenses	99	127	422	107	83	51	59	13	-	961	424	8	432	1,393
TOTAL EXPENSES	12,710	10,727	14,434	7,751	6,249	1,659	2,919	1,469	309	58,227	20,613	337	20,950	79,177
Less: Non-Operating Pension	-	-	-	-	-	-	-	-	-	-	(114)	-	(114)	(114)
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	$ 12,710	$ 10,727	$ 14,434	$ 7,751	$ 6,249	$ 1,659	$ 2,919	$ 1,469	$ 309	$ 58,227	$ 20,499	$ 337	$ 20,836	$ 79,063

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

(in Thousands)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ 16,132	$ 3,585
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense recognized through change in allowance	(11)	334
Net unrealized loss (gain) on investments	(7,230)	4,377
Depreciation and amortization	3,789	3,155
Loss on disposal of property and equipment	123	-
Contributions restricted for long-term use	(227)	(142)
Changes in assets and liabilities:		
Accounts receivable	60	(487)
Grants and contributions receivable	(604)	3,473
Inventory	(1)	(2)
Prepaid expenses and other assets	(711)	(391)
Dues collected on behalf of Constituent/State Nurses Association	38	165
Accounts payable and accrued expenses	100	111
Grants payable	(1)	5
Accrued salary, vacation, pension obligation and related expenses	945	(1,304)
Deferred revenue and refundable advances	557	(772)
Deferred rent and lease incentive	(290)	(193)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,669	11,914
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of investments	(17,835)	(12,500)
Proceeds from sale of investments	5,890	3,699
Purchase of property and equipment	(2,171)	(1,911)
NET CASH USED IN INVESTING ACTIVITIES	(14,116)	(10,712)
CASH FLOW FROM FINANCING ACTIVITIES		
Contributions restricted for long-term use	227	142
NET CASH PROVIDED BY FINANCING ACTIVITIES	227	142
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,220)	1,344
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,391	6,047
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,171	$ 7,391

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

1. Organization and Summary of Significant Accounting Policies

Organization

The American Nurses Association, Inc. (the Association) is a national professional membership organization for registered nurses. The Association was organized to advance and promote the improvement of health and nursing standards, stimulate and promote the professional development of nurses and advance the economic and general welfare of nurses. The Association has nurse members in all 50 states, the District of Columbia and territories of Guam and the Virgin Islands.

The Association functions as a modified federation. The Association has approximately 209,000 nurse members. The Association's bylaws and the related policy of the Membership Assembly provide that each Constituent/State Nurses Association (C/SNA) support the Association based on a proportionate share of dues income received from individual members. Approximately 39% and 38% of membership dues revenue received in 2019 and 2018 came from the five largest C/SNAs, respectively.

The American Nurses Foundation, Inc. (the Foundation) was established in 1955 as the scientific research, educational and charitable affiliate of the Association. The Foundation's main purpose is to provide grants to support education and research in areas affecting registered nurses, patient care, and health care in general.

The American Nurses Credentialing Center (ANCC) was incorporated in 1990 to perform the professional credentialing functions previously performed by the Association. ANCC's mission is to promote and enhance public health by certifying nurses and accrediting organizations using the Association's standards. Additionally, ANCC works towards maintaining and validating nurses' certifications through providing education programs; disseminating information on credentialing programs; and conducting research on various credentialing issues.

The American Academy of Nursing (the Academy) was incorporated in the District of Columbia on December 27, 1999. The Academy's mission is to serve the public and nursing profession by advancing health policy and practice through the generation synthesis and dissemination of nursing knowledge.

The American Nurses Association – Political Action Committee (the PAC), an unincorporated political action committee organized in 1974, is organized and operates in accordance with the Federal Election Campaign Act of 1971 (as amended). The constitution and by-laws require that the organization be politically nonpartisan and work for the fulfillment of the legislative objectives of the Association.

The American Nurses Association – Service Corp (the Service Corp) was established in 2005 as the for-profit subsidiary of the Association. The Service Corp was inactive during the years ended December 31, 2019 and 2018, and has no carrying equity balance.

The Institute for Nursing Research and Education (INRE) was established in 2008 and is a not-for-profit subsidiary of the Association. INRE was inactive during the years ended December 31, 2019 and 2018, and has no carrying net asset balance.

Continued

1. Organization and Summary of Significant Accounting Policies (continued)

Principles of Consolidation

The consolidated financial statements include the accounts of the Association, the Foundation, ANCC, the Academy, the PAC and the Service Corporation (collectively referred to as the Organization). The entities have been consolidated due to the presence of common control and economic interest, as required under the accounting principles generally accepted in the United States of America (GAAP). Intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with GAAP. As such, revenues are recognized when earned and expenses are recognized when the underlying obligations are incurred.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments, which are to be used for current operations and which have an original maturity of three months or less, to be cash and cash equivalents. All other highly liquid instruments, which are invested for the long-term purposes of the Organization, are classified as investments.

Accounts Receivable

Accounts receivable consists of:

Constituent/State Nurses Association (C/SNAs) – consist of amounts due from the Association's membership dues assessment, which is based on a conversion factor per full dues paying C/SNA member. The factor is applied to the dues collected by C/SNAs for members and effectively adjusts the dues payments for discounts and payment plans.

Trade – consists of amounts due from the sale of publications, meeting and conference registrations, sponsorships, sales of advertisements, sales of certification and recertification exams and products, Magnet program merchandise sales, site visits, consultation visits, and related products and other miscellaneous activities.

Allowance for Doubtful Accounts – is determined using the allowance method. The allowance is based on certain percentages of aged receivables, which are determined based on management's historical experience and assessment of the general financial conditions affecting the customer base. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. As of December 31, 2019 and 2018, the Organization believes that the allowance for doubtful accounts is adequate.

Continued

1. Organization and Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value and recognized in the period they are pledged. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included until the conditions are substantially met. 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.

Inventory

Inventory is stated at net realizable value. Inventory is composed primarily of books, review course materials, magnet merchandise, items held for resale, pamphlets and other publications. Management periodically adjusts the value for slow-moving or obsolete inventory.

Property and Equipment and Related Depreciation and Amortization

Property and equipment exceeding $1,000 and an estimated useful life of more than a year are capitalized at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

Investments

The Organization has investments in mutual funds, exchange-traded funds, equity securities, money market funds, certificates of deposits, and limited partnerships. Investments are recorded at fair value, with gains and losses included in the accompanying consolidated statements of activities. Fair value is the price that would be received to sell an asset or liability through an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of fair value at the beginning and end of the year.

Continued

1. Organization and Summary of Significant Accounting Policies (continued)

Investment in LLC

During 2003, 8515 Georgia Avenue Associates, LLC (the LLC) was organized. The Association, as a member of the LLC, has agreed to jointly own and develop certain real property. The Association contributed $1,000,000 as its initial capital contribution resulting in a 7% membership interest. The investment is accounted for under the cost method, minus any impairment, and adjusted for changes resulting from any observable price changes in orderly transactions for the identical or similar investment. Distributions or royalties received are recorded as income at the time of receipt. The Association received a distribution of $252,000 for the years ended December 31, 2019 and 2018.

Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with GAAP and requires disclosures about fair value measurement for assets and liabilities measured at fair value on a recurring basis. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurement, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

Financial assets recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1
Financial assets whose values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access.

Level 2
Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset. Level 2 inputs include among others, quoted prices for similar assets in active market or non-active market.

Level 3
Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

The Organization's assets that were measured at fair value on a recurring basis as of December 31, 2019 and 2018 are disclosed in Note 4 to the consolidated financial statements.

Classification of Net Assets

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, its net assets have been classified into net asset groups based on the existence or absence of donor-imposed restrictions. The classes of net assets are as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, special purpose reserve funds and board-designated endowment.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent amounts that are subject to donor-imposed restrictions to be used for various programs or within a specific time period. These donor restrictions can be temporary in nature in that they will be met by the Organization's activities or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated that the funds must be maintained in perpetuity.

Revenue and Support Recognition

The Organization recognizes all unconditional promises to give in the period in which the commitment is made and the value is measurable. Unconditional contributions received are recorded without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. All unconditional promises to give are considered to be available for use unless specifically required by the donor. Amounts received that are designated for future periods or restricted for specific purposes are recorded as with donor restrictions. When a donor-stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and is reported as contribution revenue.

A portion of the Organization's revenue is derived from conditional cost-reimbursable federal grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as

Continued

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support Recognition (continued)

refundable advances in the consolidated statements of financial position. Amounts recognized under the agreements but not received are included in grants and contributions receivable in the accompanying consolidated statements of financial position.

Credentialing services and programs consist of certification, appraisal fees for Magnet and Pathway recognition programs and accreditation fees. Certification revenue is recognized upon receipt, which aligns with the earnings process, with the exception of partial payments. Appraisal fees for Magnet, Pathway and accreditation are recognized over the period in which the services are performed.

Membership dues are recognized as revenue on a pro-rata basis in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as deferred revenue in the accompanying consolidated statements of financial position.

Products and services are recognized as revenue when products or services are provided to customers.

Conference fees are recognized in the period that the event occurs. Accordingly, registration and exhibit fees received in advance of the annual conference are recorded as deferred revenue.

Deferred revenue consist of dues, event registrations and exhibit fees, appraisal fees, certification fees, and other revenue received in advance of the period to which they relate. Partial payments relating to certification fees are treated as deferred revenue since services are not provided until payment is received in full.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are allocated across functions based on management estimates of time and effort. Expenses that benefit the entire organization, including business services, marketing, and other general and administrative expenses (technology support, rent and utilities, depreciation, insurance, data processing, general office supplies and telephone), are allocated based on proportional direct expenses.

Measure of Operations

The Organization considers investment gain (loss) and the pension-related changes other than net periodic pension costs to be items not included in operations.

1. Organization and Summary of Significant Accounting Policies (continued)

Rounding to Thousands

The Organization presents its consolidated financial statements in thousands and as such aggregation of certain amounts include immaterial rounding differences.

Estimates

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

New Accounting Pronouncements

In May 2014, FASB issued Accounting Standards Updated (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. In May 2020, FASB extended by one year the effective date of ASU 2014-09, and the Organization elected to defer the adoption of ASU 2014-09.

In January 2016, FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Liabilities*. The standard requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The standard also simplifies the impairment assessment of equity investments without readily determinable fair values by requiring assessment for impairment qualitatively at each reporting period. The amendments also require enhanced disclosures about those investments. The Organization adopted the standard applicable to equity securities without readily determinable fair values prospectively to its investment in LLC as of the date of the adoption. There is no effect on net assets in connection with the implementation of this standard.

In November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The standard did not have an impact on the consolidated statement of cash flows presentation.

1. Organization and Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In March 2017, FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* The standard requires that an employer report the service cost component in the same line item as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost as defined, under the standard, are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the statement of activities to present the other components of net benefit cost must be disclosed. The Organization adopted the standard retrospectively and has adjusted the presentation of these statements accordingly.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization adopted the standard applicable to contributions received and contributions paid to grantees in the accompanying consolidated financial statements under a modified prospective bases. As a result, there is no effect on net assets in connection with the implementation of this standard.

In August 2018, FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The update addresses the inconsistencies in applications of certain fair value measurements by removing certain disclosures, modifying existing disclosures and adding certain disclosures in an effort to improve the effectiveness of the disclosures and promote consistent use. Specifically, for nonpublic entities, the standard removed the disclosure of the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. In addition, in lieu of a rollforward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. The Organization has elected to early implement the ASU and the Organization has adjusted the presentation of these statements accordingly.

Continued

2. Accounts Receivable

As of December 31, 2019 and 2018, accounts receivable consisted of the following as of December 31, 2019 and 2018:

	(In Thousands) 2019	2018
Trade	$ 3,643	$ 3,111
Constituent/State Nurses Association	761	1,353
Total Accounts Receivable	4,404	4,464
Less: Allowance for Doubtful Accounts	(880)	(946)
Accounts Receivable, Net	$ 3,524	$ 3,518

3. Grants and Contributions Receivable

Grants and contributions consisted of the following as of December 31, 2019 and 2018.

	(In Thousands) 2019	2018
Federal	$ 312	$ 62
Individuals and corporations	1,139	780
Gross Grants and Contributions Receivable	1,451	842
Less: Allowance for Doubtful Accounts	(55)	-
Less: Discount to Net Present Value at rates ranging from 1.59% to 2.8%	(10)	(5)
Grants and Contributions Receivable, Net	$ 1,386	$ 837

As of December 31, 2019 and 2018, grants and contributions receivable are anticipated to be collected as follows as of December 31, 2019 and 2018:

	(In Thousands) 2019	2018
Within one year	$ 1,373	$ 842
In one to five years	78	-
Gross Grants and Contributions Receivable	$ 1,451	$ 842

Continued

3. Grants and Contributions Receivable (continued)

The Organization received conditional cost-reimbursable grants from U.S. Department of Health and Human Services totaling approximately $7,100,000, of which approximately $2,900,000 and $1,400,000 had been obligated for expenditure as of December 31, 2019 and 2018, respectively. As of December 31, 2019, the Organization had approximately $705,000 under the obligated amounts that had yet to be recognized because qualifying expenditures had not yet been incurred.

4. Investments and Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of December 31, 2019, aggregated where applicable by the fair value hierarchy level with which those measurements were made:

	(In Thousands)			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds:				
Equities	$ 13,036	$ 13,036	$ -	$ -
Fixed income	18,273	18,273	-	-
Exchange-traded funds	14,887	14,887	-	-
Equity securities	14,423	14,423	-	-
Money market	357	357	-	-
Certificates of deposit	254	-	254	-
Investments included in fair value hierarchy	61,230	$ 60,976	$ 254	$ -
Cash and cash equivalents	3,369			
Other investments measured at net asset value[(a)]:				
Limited partnerships	3,830			
Total Investments	$ 68,429			

Continued

4. Investments and Fair Value Measurement (continued)

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of December 31, 2018, aggregated where applicable by the fair value hierarchy level with which those measurements were made:

	(In Thousands)			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds:				
Equities	$ 24,137	$ 24,137	$ -	$ -
Fixed income	17,391	17,391	-	-
Alternative	3,458	3,458	-	-
Money market	523	523	-	-
Certificates of deposit	502	-	502	-
Investments included in at fair value hierarchy	46,011	$ 45,509	$ 502	$ -
Other investments measured at net asset value[a]:				
Limited partnerships	3,243			
Total Investments	$ 49,254			

[a] These investments are measured at net asset value (NAV) or its equivalent, provided by the external investment managers, as a practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The Organization used the following methods and significant assumptions to estimate fair value:

Mutual funds, exchange-traded funds, equity securities and money market funds – Securities which are traded on a national securities exchange are valued at the last reported NAV or sales price on the last business day of the year.

Certificates of deposit – Certificates of deposit are valued at amortized cost, which approximates fair value.

4. Investments and Fair Value Measurement (continued)

Investment earnings are reported net of related expenses of approximately $251,000 and $187,000 for the years ended December 31, 2019 and 2018, respectively. The following schedule summarized the reserve investment earnings for the years ended December 31:

	(In Thousands)	
	2019	2018
Investment earnings, net	$ 1,380	$ 1,823
Realized gains (losses) on investments	(243)	584
Unrealized gains (losses) on investments	7,473	(4,961)
Investment Earnings, Net	$ 8,610	$ (2,554)

In accordance with ASC subtopic 820-10, certain investments measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. Investments in hedge funds consist of tiered partnerships recorded at fair value based on the market approach.

Investments measured at NAV by major category are as follows:

	(In Thousands)			
2019	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Rockefeller:				
Balanced Fund LP	$ 3,196	$ -	Quarterly	5 days
Libra Fund LP	634	-	Monthly	5 days
	$ 3,830			

	(In Thousands)			
2018	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Rockefeller:				
Balanced Fund LP	$ 2,718	$ -	Quarterly	5 days
Libra Fund LP (Equities)	525	-	Monthly	5 days
	$ 3,243			

Continued

5. Property and Equipment and Related Depreciation and Amortization

The Organization held the following property and equipment as of December 31, 2019 and 2018:

	(In Thousands) 2019	2018
Software	$ 16,858	$ 15,571
Leasehold improvements	5,376	5,233
Furniture and fixture	2,477	2,512
Computers	2,025	1,827
Office equipment	1,153	1,072
Work in progress	1,220	1,471
Total Property and Equipment	29,109	27,686
Less: Accumulated Depreciation and Amortization	(19,630)	(16,596)
Property and Equipment, Net	$ 9,479	$ 11,090

Depreciation and amortization expense totaled $3,789 and $3,155 for the years ended December 31, 2019 and 2018, respectively.

6. Deferred Revenue and Refundable Advances

As of December 31, 2019 and 2018, deferred revenue and refundable advances consisted of the following as of December 31, 2019 and 2018:

	(In Thousands) 2019	2018
Membership dues	$ 2,090	$ 2,403
Credentialing services and programs	664	308
Grants and contracts	639	50
Conference and exhibit fees	388	348
Other	126	241
Total Deferred Revenue and Refundable Advances	$ 3,907	$ 3,350

7. Commitments and Contingencies

Operating Lease

The Association leases office space for its headquarters in Silver Spring, Maryland under the terms of a noncancellable lease agreement that expires on October 31, 2024. The lease agreement contains an escalation provision that increases the annual base rent per year and

7. Commitments and Contingencies (continued)

Operating Lease (continued)

provided a tenant improvement allowance. In addition, during February 2015, the Association entered into another office lease agreement with amendments that expire on May 31, 2022. The lease agreement contains an escalation provision that increases the annual base rent per year. Further, the lease included a tenant improvement allowance of approximately $2,100,000.

In August 2015, the Academy extended its current office lease for a period of five years and six months with a new lease term starting on December 1, 2015, and ending May 31, 2021. The lease agreement contains an escalation provision that increases the annual base rent per year and provided a tenant improvement allowance. The Academy also pays its proportionate share of operating expenses and real estate taxes.

Under GAAP, all lease incentives and fixed-rent increases are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease incentive in the accompanying consolidated statements of financial position and is amortized over the term of the lease agreement.

Future minimum rental payments under the lease agreements are as follows:

For the Year Ending December 31,	*(In Thousands)*
2020	$ 3,829
2021	3,828
2022	3,843
2023	3,949
2024	3,366
Total	$ 18,815

Rental expense under these leases was approximately $3,725,000 and $3,710,000 for the years ended December 31, 2019 and 2018, respectively.

Sublease Agreement

The Association entered into a noncancelable operating sublease agreement with RLJ Entertainment, Inc. to sublet office space in the Association's Silver Spring, MD headquarters building. The sublease expires on November 15, 2020. The lease agreement contains an escalation provision that increases the annual base rent per year. The future minimum rental for the year ending December 31, 2020, is approximately $368,000.

Employment Contracts

During 1994, most non-managerial employees of the Association formed the Association Staff Union (ASU). The contract was renegotiated in February 2015 and expired in February 2018. A new contract was negotiated and ratified in 2018. Under the new contract, severance compensation is based on length of service and ranges from two to twenty weeks, and health coverage is also based on length of service and ranges from two to four months.

Continued

7. Commitments and Contingencies (continued)

The Association has an agreement with the Chief Executive Officer regarding employment. Under the terms of the agreement, the executive is entitled to severance pay, including benefits, in the event of termination of employment, depending on the length of the notice period, subject to certain unique criteria defined in the employment agreements.

Hotel Commitments

The Organization has entered into agreements with hotels for room accommodations and other functions for its meetings to be held subsequent to December 31, 2019. The agreements contain clauses whereby the Organization may be liable for liquidated damages in the event of cancellation. As of December 31, 2019, the maximum potential amount of liquidated damages amounted to approximately $3,072,000.

8. Net Assets

Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions are composed of undesignated amounts and board-designated funds. As of December 31, 2019 and 2018, the Organization's net assets without donor restrictions were as follows:

	(In Thousands) 2019	2018
Undesignated	$ 18,251	$ 44,699
Board-designated:		
Operating reserve fund	42,564	1,342
Special purpose reserve fund	1,293	632
Funds functioning as an endowment	436	409
Total Net Assets Without Donor Restrictions	$ 62,544	$ 47,082

8. Net Assets (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions were designated for the following purposes or periods as of December 31, 2019 and 2018:

	(In Thousands)	
	2019	2018
Subject to expenditure for specified purpose:		
AAN Programs-Restricted Funds	$ 148	$ 499
Foundation Programs-Restricted Funds	1,499	1,085
ANA Nursing Scholarships and Special Awards	309	270
PAC Funds	173	151
Total Subject to Expenditure for Specified Purpose	2,129	2,005
Subject to spending policy and appropriation:		
Original donor-restricted gifts required to be maintained in perpetuity	2,552	2,539
Accumulated endowment earnings	1,678	1,145
Total Subject to Spending Policy and Appropriation	4,230	3,684
Total Net Assets With Donor Restrictions	$ 6,359	$ 5,689

9. Endowments

Endowments consist of both donor-restricted endowments and board designated quasi-endowment funds. Donor-restricted endowment funds were established for scholarship purposes, and are comprised of funds that the Organization must hold in perpetuity, pursuant to express donor stipulation, as well as the accumulated unspent earnings on those funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, and thus the donor-restricted endowment funds are classified as net assets with donor restrictions. Funds designated for the quasi-endowment fund are without donor restriction and are available for expenditure for any purpose authorized by the Board.

Uniform Prudent Management of Institutional Funds Act

The endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, all unappropriated endowment funds assets are considered restricted. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization

Continued

9. Endowments (continued)

Uniform Prudent Management of Institutional Funds Act (continued)

considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the permanent endowment, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The unspent earnings are available for expenditure in subsequent years following appropriation by the Organization's Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA to support activities as specified by the donor.

The Organization's endowment investment policy is focused on preservation of capital and amounts are invested in equities, corporate and government bonds, and money market funds.

In accordance with UPMIFA, the Organization 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 Organization 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 Organization
- The investment policy of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy approved by the Board of Trustees, the endowment assets are invested in a manner with long term orientation and without undue exposure to risk. The Organization's objective is to generate total investment returns that exceed the US Consumer Price Index by five percent (5%) and the average rates of investment returns shall approximate seven to nine percent annually. Actual experience in any given year may vary from this amount.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Spending rate policy will be five percent (5%) annually based on a three year moving average value of the investment portfolio. Over the long-term, the Organization expects to allow its endowment to grow annually, consistent with the Organization's objectives to maintain the purchasing power of the endowment assets held in perpetuity and to provide additional real growth through new contributions and investment returns.

Continued

9. Endowments (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends) utilizing a strategy of fixed income, equities and cash equivalents in a mix conducive to participation in rising markets and allowing for protection in falling markets within prudent risk constraints. In addition, the Organization utilizes the services of experienced investment managers to achieve its objectives. The following is a summary of endowment funds for the years ended December 31, 2019 and 2018:

	(In Thousands)		
	Without Restrictions	With Restrictions	Total
Endowments net assets, January 1, 2018	$ 450	$ 3,863	$ 4,313
Investment return	(15)	(131)	(146)
Contributions	-	142	142
Appropriations	(26)	(190)	(216)
Endowments net assets, December 31, 2018	409	3,684	4,093
Investment return	-	629	629
Contributions	-	227	227
Transfers	52	-	52
Appropriations	(25)	(310)	(335)
Endowments net assets, December 31, 2019	$ 436	$ 4,230	$ 4,666

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). The Organization has interpreted UPMIFA not to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of December 31, 2019 and 2018.

10. Availability of Resources and Liquidity

The following reflects the Organization's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general use within one year of the consolidated statements of financial position:

	(In Thousands) 2019	2018
Cash and cash equivalents	$ 6,171	$ 7,391
Accounts receivable	3,524	3,518
Grants and contributions receivable	1,206	837
Investments	68,429	49,254
Total Available Financial Assets	79,330	61,000
Less:		
Receivables due beyond one year	(78)	-
Investments in limited partnerships	(3,830)	(3,243)
Donor-imposed restrictions:		
Endowment gifts	(4,230)	(3,684)
Other donor restrictions	(2,129)	(2,005)
Board-designated amounts	(44,293)	(2,383)
Financial Assets Available to Meet General Expenditures Within One Year	$ 24,770	$ 49,685

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a goal to maintain financial assets, which consists of cash and short-term investments, on hand to meet six months of normal operating expenses, which are on average, approximately $5,000,000 per month. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including certificates of deposit, mutual funds, and short-term treasury instruments. The investment portfolio includes amounts invested for long-term purposes. Although the Organization does not intend to do so, amounts from its long-term investments could be made available if necessary. Additionally, the Organization has board-designated net assets that could be available for current operations with Board approval, if necessary.

11. Pension Plan

Defined Contribution Plan

The Association sponsors a defined contribution salary deferral 401(k) plan available to all full-time employees. The Association contributed 4% of annual pay and matched 100% of the first 2% of the participant's contribution and an additional 50% of the second 2% of the participant's contribution. Contributions made by the Association for the years ended December 31, 2019 and 2018, amounted to approximately $1,672,000 and $1,602,000, respectively.

Continued

11. Pension Plan (continued)

Defined Contribution Plan (continued)

Effective January 1, 2008, the Academy established a 401(k) tax deferred retirement plan for the benefit of its employees. The plan covers all eligible employees, as defined. Plan participants may make voluntary salary reduction contributions up to the maximum amount allowed. Employer contributions are a 100% match up to 3% and a 50% match up to 5% of the employee's salary. Pension expense related to this plan totaled approximately $20,000 and $32,000 for the years ended December 31, 2019 and 2018, respectively.

Defined Benefit Plan

The Association sponsors a noncontributory, defined benefit pension plan that covers eligible employees, inclusive of affiliated entity employees. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of services and compensation rates near retirement. The Association froze the defined benefit plan as of March 31, 2012, after which eligible employees ceased accruing benefits. Effective April 1, 2012, no new participants can be admitted to the frozen plan. Contributions to the plan reflect benefits attributed to employees' services to date. Plan assets consist primarily of equity securities, equity mutual funds and debt mutual funds.

The Association's policy is to the fund at least the minimum funding required by the Employee Retirement Plan Income Security Act of 1974. Projected contributions for 2020 are $1,690,000.

The measurement dates used for the plan are as of and for the years ended December 31, 2019 and 2018. The following tables set forth the plan's funded status and amounts recognized in the consolidated financial statements as of and for the years ended December 31:

	(In Thousands)	
	2019	2018
Accumulated Benefit Obligation	$ 36,208	$ 32,810

	2019	2018
Benefit Obligation at December 31	$ (36,208)	$ (32,810)
Fair Value of Plan Assets at December 31	25,489	22,870
Funded Status**	$ (10,719)	$ (9,940)

**Funded status amount (obligation) is included in accrued salary, vacation, and related expenses in the accompanying consolidated statements of financial position.

11. Pension Plan (continued)

Defined Benefit Plan (continued)

	(In Thousands)	
	2019	2018
Change in Benefit Obligation		
Balance – Beginning of Year	$ 32,810	$ 35,720
Interest cost	1,284	1,152
Benefits paid	(1,693)	(1,669)
Actuarial (loss) gain	3,807	(2,393)
Balance – End of Year	$ 36,208	$ 32,810
Change in Plan Assets		
Balance – Beginning of Year	$ 22,870	$ 24,455
Actual return on plan assets	3,862	(1,402)
Employer contributions	450	1,486
Benefits paid	(1,693)	(1,669)
Balance – End of Year	$ 25,489	$ 22,870
Pension-Related Changes Other Than Net Periodic Pension Cost:		
Net loss during the year	$ 1,374	$ 575
Amortization of prior service credit	(11)	(11)
Amortization of net loss	(484)	(450)
Total	$ 879	$ 114
Net Periodic Pension Costs Consist of:		
Interest costs	$ 1,283	$ 1,153
Expected return on plan assets	(1,429)	(1,567)
Amortization of prior service costs	11	11
Amortization of net loss	484	450
Total	$ 349	$ 47

The following weight-average assumptions were used to determine net periodic benefit cost for the year ended December 31:

	2019	2018
Effective discount rate	4.36%	3.68%
Effective interest rate	4.03%	3.31%
Rate of compensation increase	Not Applicable	Not Applicable
Expected return on assets	6.50%	6.50%

Continued

11. Pension Plan (continued)

Defined Benefit Plan (continued)

The following weighted-average assumptions were used to determine benefit obligation for the year ended December 31:

	2019	2018
Effective discount rate	3.31%	4.36%
Rate of compensative increase	Not Applicable	Not Applicable
Measurement date	12/31/2019	12/31/2018

The expected long-term rate of return on plan assets assumption was determined based on current investment policy, historical returns and prospective expected returns for each asset class in the portfolio.

Estimated future benefits expected to be paid from the plan are as follows:

For the Year Ending December 31,	(In Thousands)
2020	$ 2,018
2021	2,063
2022	2,087
2023	2,106
2024	2,086
Thereafter	10,568
Total	$ 20,928

Plan Assets

A portion of the investments should be in a cash fund to cover lump sum payments and the expected monthly benefit payments. The target allocation percentages are as follows:

Equity	46%
Debt	45%
Alternative and other	9%
Total	100%

The plan's weighted average asset allocation as of December 31, 2019 and 2018, by asset category, was as follows:

	2019	2018
Equity	61%	53%
Debt	37%	39%
Alternative and other	2%	8%
Total	100%	100%

11. Pension Plan (continued)

Defined Benefit Plan (continued)

The fair values of the Organizations pension plan assets at December 31, 2019, by asset class, were as follows:

	(In Thousands)			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Defined benefit plan assets:				
Mutual funds:				
Equities	$ 4,676	$ 4,676	$ -	$ -
Fixed income	7,647	7,647	-	-
Exchange-traded funds	6,407	6,407	-	-
Equity securities	4,422	4,422	-	-
Annuity contract	1,635	-	-	1,635
Money market funds	395	395	-	-
Total Investments at Fair Value	25,182	$ 23,547	$ -	$ 1,635
Other investments measured at NAV[(a)]:				
Other assets	307			
Total Plan Assets	$ 25,489			

The fair values of the Organizations pension plan assets at December 31, 2018, by asset class, were as follows:

	(In Thousands)			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Defined benefit plan assets:				
Mutual funds:				
Equities	$ 5,321	$ 5,321	$ -	$ -
Fixed income	7,208	7,208	-	-
Other	512	512	-	-

Continued

11. Pension Plan (continued)

Defined Benefit Plan (continued)

(continued)	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In Thousands)			
Defined benefit plan assets:				
Equity securities	$ 6,790	$ 6,790	$ -	$ -
Annuity contract	1,659	-	-	1,659
Money market funds	989	989	-	-
Total Investments at Fair Value	22,479	$ 20,820	$ -	$ 1,659
Other investments measured at NAV[(a)]:				
Other assets	391			
Total Plan Assets	$ 22,870			

The annuity contract in the defined benefit plan consist of a general investment account consisting primarily of fixed income securities which are maintained at book value. A market value adjustment is estimated annually based on the current market value of transferrable funds. There were no transfers into or out of Level 3 of the fair value hierarchy.

Defined benefit plan assets measured at NAV by major category are as follows:

2019	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	(In Thousands)			
Multi-Strategy LP	$ 307	$ -	Monthly	Monthly

2018	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	(In Thousands)			
Multi-Strategy LP	$ 391	$ -	Monthly	Monthly

Continued

12. Concentration of Credit and Market Risk

The Organization invests in a variety of investment types. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements. Additionally, at times during the year, the Organization had funds invested with local financial institutions in excess of the Federal Deposit Insurance Corporation limits. To date, the Organization has not experienced losses in any of these accounts.

13. Income Taxes

The Association and ANCC are exempt from the payment of income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC). The Foundation, the Academy and INRE are exempt from the payment of income taxes under Section 501(c)(3) of the IRC and are each classified as other than a private foundation. The Association, ANCC, Foundation and Academy are all required to report unrelated business income to the Internal Revenue Service and Maryland for the Association, ANCC and ANF. The Academy is required to report unrelated business income to the District of Columbia. The Association, ANCC, ANF and the Academy did not have any significant unrelated business income tax liability for the years ended December 31, 2019 and 2018. Under the provisions of Section 527 of the IRC, political contributions received by the PAC and used for a political campaign or similar purpose are not included in the taxable income of the organization. However, the PAC is subject to tax on the net investment income. The Service Corporation is a for-profit taxable entity.

The Organization adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income taxes for the years ended December 31, 2019 and 2018, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of December 31, 2019, there were years with tax returns that remained open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which the Organization files tax returns; however, no examinations are currently pending or in progress. As of December 31, 2019 and 2018, the Organization had no accruals for interest and/or penalties.

14. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Continued

15. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 30, 2020, the date the consolidated financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Organization has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

The Organization successfully converted their programs/conferences to a live interactive virtual conference. The Organization has cancelled the in-person Magnet Conference scheduled for early October 2020 and is having an ANCC Virtual Summit instead. This change in format is estimated to reduce planned operating income by approximately $5,000,000. The recent volatility and overall decline in market values may have a significant impact on the Organization's consolidated recognized assets. The Organization's management is working diligently to mitigate any financial losses and has been able to continue operations in a remote environment; however, at this point, the extent to which COVID-19 may impact the Organization's consolidated financial condition or results of operations is uncertain. The Organization is taking proactive steps to minimize expenses and adjust to the changing economics during the period of uncertainty so that it is prepared to resume regular activities in the future.

Commencing in April 2020, the Organization has been deferring payment of its portion of payroll taxes deposits as permitted under the Coronavirus, Aid, Relief and Economic Security Act (CARES Act). The deferral of these payroll tax deposits is expected to enhance the Organization's short term liquidity until 50% of the deferral is paid in December 2021 and the remaining 50% is paid in December 2022.

Except as noted above, there were no subsequent events that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2019

(in Thousands)

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Total
ASSETS							
Cash and cash equivalents	$ 1,749	$ 739	$ 2,833	$ 677	$ 173	$ -	$ 6,171
Accounts receivable, net	1,529	-	79	1,916	-	-	3,524
Grants and contributions receivable, net	312	1,074	-	-	-	-	1,386
Inventory	207	-	16	-	-	-	223
Prepaid expenses and other assets	1,766	36	70	605	-	-	2,477
Investments	28,720	5,167	4,441	30,101	-	-	68,429
Investment in LLC	1,000	-	-	-	-	-	1,000
Property and equipment, net	4,454	13	69	4,943	-	-	9,479
Due from related organizations	7,259	7	-	5,685	-	(12,951)	-
TOTAL ASSETS	$ 46,996	$ 7,036	$ 7,508	$ 43,927	$ 173	$ (12,951)	$ 92,689
LIABILITIES AND NET ASSETS							
Liabilities							
Dues collected on behalf of Constituent/State Nurses Association	$ 855	$ -	$ -	$ -	$ -	$ -	$ 855
Accounts payable and accrued expenses	1,600	5	711	1,245	-	-	3,561
Accrued salary, vacation, pension obligation and related expenses	12,774	-	-	-	-	-	12,774
Grants payable	-	44	-	-	-	-	44
Due to related organizations	6,048	187	-	6,716	-	(12,951)	-
Deferred revenue and refundable advances	1,682	599	293	1,333	-	-	3,907
Deferred rent and lease incentive	2,578	-	67	-	-	-	2,645
TOTAL LIABILITIES	25,537	835	1,071	9,294	-	(12,951)	23,786
Net Assets							
Without donor restrictions							
Undesignated	2,395	70	5,595	10,191	-	-	18,251
Designated	18,721	436	694	24,442	-	-	44,293
Total Net Assets Without Donor Restrictions	21,116	506	6,289	34,633	-	-	62,544
With donor restrictions	343	5,695	148	-	173	-	6,359
TOTAL NET ASSETS	21,459	6,201	6,437	34,633	173	-	68,903
TOTAL LIABILITIES AND NET ASSETS	$ 46,996	$ 7,036	$ 7,508	$ 43,927	$ 173	$ (12,951)	$ 92,689

See independent auditors' report.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2018

(in Thousands)

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Total
ASSETS							
Cash and cash equivalents	$ 3,357	$ 1,064	$ 2,069	$ 750	$ 151	$ -	$ 7,391
Accounts receivable, net	1,526	-	49	1,943	-	-	3,518
Grants and contributions receivable, net	62	719	109	-	-	(53)	837
Inventory	207	-	15	-	-	-	222
Prepaid expenses and other assets	1,444	1	64	257	-	-	1,766
Investments	25,580	5,379	3,920	14,375	-	-	49,254
Investment in LLC	1,000	-	-	-	-	-	1,000
Property and equipment, net	5,638	1	94	5,357	-	-	11,090
Due from related organizations	7,627	239	-	9,198	-	(17,064)	-
TOTAL ASSETS	$ 46,441	$ 7,403	$ 6,320	$ 31,880	$ 151	$ (17,117)	$ 75,078
LIABILITIES AND NET ASSETS							
Liabilities							
Dues collected on behalf of Constituent/State Nurses Association	$ 817	$ -	$ -	$ -	$ -	$ -	$ 817
Accounts payable and accrued expenses	1,889	13	63	1,419	-	(53)	3,331
Accrued salary, vacation, pension obligation and related expenses	11,829	-	-	-	-	-	11,829
Grants payable	-	45	-	-	-	-	45
Due to related organizations	9,388	2,258	-	5,418	-	(17,064)	-
Deferred revenue and refundable advances	2,129	51	520	650	-	-	3,350
Deferred rent and lease incentive	2,831	-	104	-	-	-	2,935
TOTAL LIABILITIES	28,883	2,367	687	7,487	-	(17,117)	22,307
Net Assets							
Without donor restrictions							
Undesignated	16,622	(108)	4,582	23,603	-	-	44,699
Designated	632	409	552	790	-	-	2,383
Total Net Assets Without Donor Restrictions	17,254	301	5,134	24,393	-	-	47,082
With donor restrictions	304	4,735	499	-	151	-	5,689
TOTAL NET ASSETS	17,558	5,036	5,633	24,393	151	-	52,771
TOTAL LIABILITIES AND NET ASSETS	$ 46,441	$ 7,403	$ 6,320	$ 31,880	$ 151	$ (17,117)	$ 75,078

See independent auditors' report.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2019

(in Thousands)

	American Nurses Association			American Nurses Foundation			American Academy of Nursing			American Nurses Credentialing Center	ANA Political Action Committee			Total	Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Consolidated Total
REVENUE AND SUPPORT																
Credentialing services and programs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,441	$ -	$ -	$ -	$ 41,441	$ -	$ 41,441
Membership dues	18,294	-	18,294	-	-	-	1,498	-	1,498	-	-	-	(1)	19,791	-	19,791
Conference fees	3,633	-	3,633	-	-	-	1,498	-	1,498	10,649	-	-	-	15,780	-	15,780
Products and services	1,893	-	1,893	-	-	-	25	-	25	4,831	-	-	-	6,749	-	6,749
Contributions, grants and contracts	1,929	-	1,929	570	1,450	2,020	171	177	348	-	-	245	(494)	2,176	1,872	4,048
Publications sales	1,771	-	1,771	-	-	-	-	-	-	-	-	-	-	1,771	-	1,771
Other income	152	-	152	10	-	10	380	-	380	3	-	-	-	545	-	545
Rental income	421	-	421	-	-	-	-	-	-	-	-	-	-	421	-	421
Net assets released from restrictions:																
Satisfaction of program and time restrictions	-	-	-	1,295	(1,295)	-	528	(528)	-	-	223	(223)	-	2,046	(2,046)	-
TOTAL REVENUE AND SUPPORT	28,093	-	28,093	1,875	155	2,030	4,100	(351)	3,749	56,924	223	22	(495)	90,720	(174)	90,546
EXPENSES																
Program Services:																
Certification	-	-	-	-	-	-	-	-	-	16,370	-	-	-	16,370	-	16,370
Recognition programs	-	-	-	-	-	-	-	-	-	13,824	-	-	-	13,824	-	13,824
Products and conferences	5,333	-	5,333	-	-	-	1,229	-	1,229	7,094	-	-	-	13,656	-	13,656
Member services and programs	6,843	-	6,843	-	-	-	334	-	334	-	-	-	-	7,177	-	7,177
Programs and special initiatives	4,960	-	4,960	-	-	-	-	-	-	-	-	-	-	4,960	-	4,960
Accreditation	-	-	-	-	-	-	-	-	-	2,534	-	-	-	2,534	-	2,534
Grant award programs	1,740	-	1,740	710	-	710	-	-	-	-	-	-	(34)	2,416	-	2,416
Services and programs	-	-	-	577	-	577	1,158	-	1,158	-	-	-	(461)	1,274	-	1,274
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	223	-	-	223	-	223
Total Program Services	18,876	-	18,876	1,287	-	1,287	2,721	-	2,721	39,822	223	-	(495)	62,434	-	62,434
Supporting Services:																
Governance and general administration	14,744	-	14,744	99	-	99	778	-	778	3,923	-	-	-	19,544	-	19,544
Fundraising	-	-	-	332	-	332	87	-	87	-	-	-	-	419	-	419
Total Supporting Services	14,744	-	14,744	431	-	431	865	-	865	3,923	-	-	-	19,963	-	19,963
TOTAL EXPENSES	33,620	-	33,620	1,718	-	1,718	3,586	-	3,586	43,745	223	-	(495)	82,397	-	82,397
Change in Net Assets From Operations	(5,527)	-	(5,527)	157	155	312	514	(351)	163	13,179	-	22	-	8,323	(174)	8,149
NONOPERATING ITEMS																
Investment return	3,864	39	3,903	48	805	853	641	-	641	3,213	-	-	-	7,766	844	8,610
Investment income from LLC	252	-	252	-	-	-	-	-	-	-	-	-	-	252	-	252
Pension-related changes other than net periodic pension cost	(879)	-	(879)	-	-	-	-	-	-	-	-	-	-	(879)	-	(879)
Distribution from ANCC	6,152	-	6,152	-	-	-	-	-	-	(6,152)	-	-	-	-	-	-
TOTAL NONOPERATING ITEMS	9,389	39	9,428	48	805	853	641	-	641	(2,939)	-	-	-	7,139	844	7,983
CHANGE IN NET ASSETS	3,862	39	3,901	205	960	1,165	1,155	(351)	804	10,240	-	22	-	15,462	670	16,132
NET ASSETS, BEGINNING OF YEAR	17,254	304	17,558	301	4,735	5,036	5,134	499	5,633	24,393	-	151	-	47,082	5,689	52,771
NET ASSETS, END OF YEAR	$ 21,116	$ 343	$ 21,459	$ 506	$ 5,695	$ 6,201	$ 6,289	$ 148	$ 6,437	$ 34,633	$ -	$ 173	$ -	$ 62,544	$ 6,359	$ 68,903

See independent auditors' report.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2018

(in Thousands)

	American Nurses Association			American Nurses Foundation			American Academy of Nursing			American Nurses Credentialing Center	ANA Political Action Committee			Total	Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Consolidated Total
REVENUE AND SUPPORT																
Credentialing services and programs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 36,124	$ -	$ -	$ -	$ 36,124	$ -	$ 36,124
Membership dues	17,387	-	17,387	-	-	-	1,280	137	1,417	-	-	-	-	18,667	137	18,804
Conference fees	2,821	-	2,821	-	-	-	1,304	393	1,697	11,442	-	-	-	15,567	393	15,960
Products and services	1,867	-	1,867	72	-	72	297	17	314	4,896	-	-	-	7,132	17	7,149
Contributions, grants and contracts	2,403	-	2,403	387	1,361	1,748	207	343	550	-	-	254	(935)	2,062	1,958	4,020
Publications sales	1,802	-	1,802	-	-	-	-	-	-	116	-	-	-	1,918	-	1,918
Other income	294	-	294	54	-	54	132	5	137	120	-	-	-	600	5	605
Rental income	484	-	484	-	-	-	-	-	-	-	-	-	-	484	-	484
Net assets released from restrictions:																
Satisfaction of program and time restrictions	-	-	-	1,498	(1,498)	-	868	(868)	-	-	309	(309)	-	2,675	(2,675)	-
TOTAL REVENUE AND SUPPORT	27,058	-	27,058	2,011	(137)	1,874	4,088	27	4,115	52,698	309	(55)	(935)	85,229	(165)	85,064
EXPENSES																
Program Services:																
Certification	-	-	-	-	-	-	-	-	-	12,710	-	-	-	12,710	-	12,710
Recognition programs	-	-	-	-	-	-	-	-	-	10,727	-	-	-	10,727	-	10,727
Products and conferences	5,175	-	5,175	-	-	-	1,194	-	1,194	8,065	-	-	-	14,434	-	14,434
Member services and programs	7,390	-	7,390	-	-	-	361	-	361	-	-	-	-	7,751	-	7,751
Programs and special initiatives	6,249	-	6,249	-	-	-	-	-	-	-	-	-	-	6,249	-	6,249
Accreditation	-	-	-	-	-	-	-	-	-	1,659	-	-	-	1,659	-	1,659
Grant award programs	2,379	-	2,379	555	-	555	-	-	-	-	-	-	(15)	2,919	-	2,919
Services and programs	-	-	-	1,026	-	1,026	1,331	-	1,331	-	-	-	(888)	1,469	-	1,469
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	309	-	-	309	-	309
Total Program Services	21,193	-	21,193	1,581	-	1,581	2,886	-	2,886	33,161	309	-	(903)	58,227	-	58,227
Supporting Services:																
Governance and general administration	15,187	-	15,187	413	-	413	764	-	764	4,167	-	-	(32)	20,499	-	20,499
Fundraising	-	-	-	175	-	175	162	-	162	-	-	-	-	337	-	337
Total Supporting Services	15,187	-	15,187	588	-	588	926	-	926	4,167	-	-	(32)	20,836	-	20,836
TOTAL EXPENSES	36,380	-	36,380	2,169	-	2,169	3,812	-	3,812	37,328	309	-	(935)	79,063	-	79,063
Change in Net Assets From Operations	(9,322)	-	(9,322)	(158)	(137)	(295)	276	27	303	15,370	-	(55)	-	6,166	(165)	6,001
NONOPERATING ITEMS																
Investment return	(1,141)	(12)	(1,153)	(26)	(216)	(242)	(223)	-	(223)	(936)	-	-	-	(2,326)	(228)	(2,554)
Investment income from LLC	252	-	252	-	-	-	-	-	-	-	-	-	-	252	-	252
Pension-related changes other than net periodic pension cost	(114)	-	(114)	-	-	-	-	-	-	-	-	-	-	(114)	-	(114)
Distribution from ANCC	8,723	-	8,723	-	-	-	-	-	-	(8,723)	-	-	-	-	-	-
TOTAL NONOPERATING ITEMS	7,720	(12)	7,708	(26)	(216)	(242)	(223)	-	(223)	(9,659)	-	-	-	(2,188)	(228)	(2,416)
CHANGE IN NET ASSETS	(1,602)	(12)	(1,614)	(184)	(353)	(537)	53	27	80	5,711	-	(55)	-	3,978	(393)	3,585
NET ASSETS, BEGINNING OF YEAR	18,856	316	19,172	485	5,088	5,573	5,081	472	5,553	18,682	-	206	-	43,104	6,082	49,186
NET ASSETS, END OF YEAR	$ 17,254	$ 304	$ 17,558	$ 301	$ 4,735	$ 5,036	$ 5,134	$ 499	$ 5,633	$ 24,393	$ -	$ 151	$ -	$ 47,082	$ 5,689	$ 52,771

See independent auditors' report.