

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2017 AND 2016

**AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Nurses Association, Inc. and Entities
Silver Spring, Maryland

We have audited the accompanying consolidated financial statements of the American Nurses Association, Inc. and Entities (collectively referred to as "the Organization") which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years 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 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 audits. We did not audit the financial statements of American Academy of Nursing, a controlled affiliate, which reflect total assets of \$6,392,423 as of December 31, 2017, and total revenue and support of \$3,950,910 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the American Nurses Association, Inc. and Entities, is based solely on the report of the other auditors. We conducted our audits 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 consolidated 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 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.

Board of Directors
American Nurses Association, Inc. and Entities

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Nurses Association, Inc. and Entities as of December 31, 2017 and 2016, 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 of America.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
September 26, 2018

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016
(IN THOUSANDS)

	2017	2016
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 6,047	\$ 4,741
Accounts Receivable:		
Constituent/State Nurses Association, Net of Allowance (\$657 for 2017 and \$0 for 2016)	475	938
Trade, Net of Allowance (\$100 for 2017 and \$122 for 2016)	1,652	1,403
Other, Net of Allowance (\$42 for 2017 and \$71 for 2016)	1,213	1,974
Grants	3,335	1,210
Total Accounts Receivable	6,675	5,525
Contributions/Pledges Receivable	1,000	715
Inventory, Net	220	523
Prepaid Expenses and Deposits	1,316	976
Investments	44,826	44,478
Property and Equipment, Net	12,334	10,658
Investment in LLC	1,000	1,000
Other Investments	63	66
	\$ 73,481	\$ 68,682
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Dues Collected on Behalf of Constituent/State Nurses Association	\$ 652	\$ 586
Accounts Payable and Accrued Expenses	3,220	7,530
Accrued Salary, Vacation, Pension Obligation and Related Expenses	13,133	12,809
Deferred Rent	3,128	-
Grants Payable	40	27
Deferred Revenue	4,122	3,225
Line of Credit	-	343
Total Liabilities	24,295	24,520
NET ASSETS		
Unrestricted - Undesignated	40,408	35,662
Unrestricted - Board Designated	2,901	3,044
Total Unrestricted Net Assets	43,309	38,706
Temporarily Restricted	3,479	3,097
Permanently Restricted	2,397	2,359
Total Net Assets	49,186	44,162
	\$ 73,481	\$ 68,682
Total Liabilities and Net Assets		

See accompanying Notes to the Consolidated Financial Statements.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016
(IN THOUSANDS)

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE								
Membership Dues	\$ 17,267	\$ 78	\$ -	\$ 17,345	\$ 16,378	\$ 70	\$ -	\$ 16,448
Products and Services	5,986	15	-	6,001	4,215	72	-	4,287
Contributions, Grants and Contracts	3,686	1,545	235	5,467	2,739	875	114	3,728
Publications Sales	2,626	-	-	2,626	2,261	-	-	2,261
Rental Income	436	-	-	436	314	-	-	314
Other Income	801	-	-	801	1,883	-	-	1,883
Investment Income	196	-	-	196	235	-	-	235
Conventions and Conference Fees	12,589	154	-	12,743	13,900	429	-	14,329
Credentialing Services and Programs	32,739	-	-	32,739	31,999	-	-	31,999
Net Assets Released from Restrictions Satisfaction of Program and Time Restrictions	2,154	(1,951)	(203)	-	2,098	(2,042)	(56)	-
Total Revenue	<u>78,480</u>	<u>(159)</u>	<u>32</u>	<u>78,354</u>	<u>76,022</u>	<u>(596)</u>	<u>58</u>	<u>75,484</u>
EXPENSES								
Program Services:								
Membership	6,711	-	-	6,711	6,620	-	-	6,620
Certification/Recertification	9,498	-	-	9,498	9,506	-	-	9,506
Recognition Programs	5,762	-	-	5,762	5,367	-	-	5,367
Grant Award Programs	2,564	-	-	2,564	2,261	-	-	2,261
Programs & Special Initiatives	6,410	-	-	6,410	6,490	-	-	6,490
Nursing Knowledge Center (NKC)	7,309	-	-	7,309	7,121	-	-	7,121
Conventions and Meetings	1,075	-	-	1,075	989	-	-	989
Services and Programs	1,879	-	-	1,879	2,071	-	-	2,071
NKC Products and Services	8,236	-	-	8,236	7,029	-	-	7,029
Accreditation	1,014	-	-	1,014	1,234	-	-	1,234
Contributions to Political Candidates	170	-	-	170	309	-	-	309
Total Program Services	<u>50,628</u>	<u>-</u>	<u>-</u>	<u>50,628</u>	<u>48,997</u>	<u>-</u>	<u>-</u>	<u>48,997</u>
Supporting Services:								
Governance, Administration and General	27,892	-	-	27,892	31,097	-	-	31,097
Fundraising	353	-	-	353	298	-	-	298
Total Supporting Services	<u>28,245</u>	<u>-</u>	<u>-</u>	<u>28,245</u>	<u>31,395</u>	<u>-</u>	<u>-</u>	<u>31,395</u>
Total Expenses	<u>78,873</u>	<u>-</u>	<u>-</u>	<u>78,873</u>	<u>80,392</u>	<u>-</u>	<u>-</u>	<u>80,392</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(393)	(159)	32	(519)	(4,370)	(596)	58	(4,908)
OTHER ITEMS								
Reserve Investment Earnings	5,481	541	6	6,028	2,383	285	1	2,669
Total Other Items	<u>5,481</u>	<u>541</u>	<u>6</u>	<u>6,028</u>	<u>2,383</u>	<u>285</u>	<u>1</u>	<u>2,669</u>
Change in Net Assets Before Pension Adjustments	5,088	382	38	5,508	(1,987)	(311)	59	(2,239)
Pension-Related Changes Other Than Net Periodic Pension Cost	(485)	-	-	(485)	464	-	-	464
CHANGE IN NET ASSETS	4,603	382	38	5,024	(1,523)	(311)	59	(1,775)
Net Assets - Beginning of Year	<u>38,706</u>	<u>3,097</u>	<u>2,359</u>	<u>44,162</u>	<u>40,229</u>	<u>3,408</u>	<u>2,300</u>	<u>45,937</u>
NET ASSETS - END OF YEAR	<u>\$ 43,309</u>	<u>\$ 3,479</u>	<u>\$ 2,397</u>	<u>\$ 49,186</u>	<u>\$ 38,706</u>	<u>\$ 3,097</u>	<u>\$ 2,359</u>	<u>\$ 44,162</u>

See accompanying Notes to the Consolidated Financial Statements.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(IN THOUSANDS)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,024	\$ (1,775)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Bad Debt Expense	477	61
Net Unrealized Gain on Investments	(3,969)	(1,906)
Net Realized (Gain) Loss on Investments	(754)	309
Depreciation and Amortization	1,884	1,457
Loss on Disposal of Furniture and Equipment	344	-
Donated Stock	-	(1)
Contributions - Permanently Restricted	(235)	(114)
Change in Assets and Liabilities:		
Accounts Receivable - Constituent/State Nurses Association (C/SNA)	(9)	(192)
Accounts Receivable - Trade	(257)	(186)
Accounts Receivable - Other	761	10
Grants Receivable	(2,125)	(592)
Grants Payable	13	(4)
Contributions/Pledges Receivable	(282)	124
Inventory	303	56
Prepaid Expenses and Deposits	(340)	(100)
Dues Collected on Behalf of C/SNAs	66	(55)
Accounts Payable and Accrued Expenses	(4,310)	126
Accrued Salary, Vacation and Related Expenses	324	(332)
Deferred Revenue	897	(461)
Deferred Rent	3,128	-
Net Cash Provided (Used) by Operating Activities	940	(3,575)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(4,880)	(6,250)
Proceeds from Sales of Investments	9,258	8,662
Purchase of Furniture and Equipment	(3,904)	(5,315)
Dividends in Transit	-	(1)
Net Cash Provided (Used) by Investing Activities	474	(2,904)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Line of Credit	(343)	(15)
Permanently Restricted Contributions	235	114
Net Cash (Used) Provided by Financing Activities	(108)	99
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,306	(6,380)
Cash and Cash Equivalents - Beginning of Year	4,741	11,121
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,047	\$ 4,741
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for Interest	\$ 20	\$ 28

See accompanying Notes to the Consolidated Financial Statements.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

The ***American Nurses Association, Inc.*** (the Association or ANA) is a national professional membership organization for registered nurses. Historically, the Association maintained relationships with its labor organization members and engaged in certain activities reflective of labor organization status. Effective July 2017, the Association filed its terminal Form LM-2 to terminate its status as a labor organization and is therefore now considered only a professional association. 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 the territories of Guam and the Virgin Islands.

The Association functions as a modified federation. The Association has approximately 172,000 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 38% and 39% of membership dues revenue received in 2017 and 2016, respectively, came from the five largest C/SNAs.

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, generally.

The Board of Trustees of the Foundation is appointed by the Board of Directors of the Association. The two organizations are affiliated through the ANA Board of Directors serving as the Members of the Foundation.

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 Board of ANCC consists of up to 10 members, 3 of whom are ex-officio, and the remainder are appointed by the Association, therefore requiring consolidated financial statements with the Association.

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 sole corporate member of the Academy is the Association, thus requiring consolidated financial statements with the Association.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Organizations (Continued)

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 bylaws require that the organization be politically nonpartisan and work for the fulfillment of the legislative objectives of the Association, therefore requiring consolidated financial statements with the Association.

The *American Nurses Association – Service Corp* was established in 2005 as the for-profit subsidiary of the American Nurses Association. The primary purpose of the Service Corp was to manage products and service areas that provide a revenue stream but do not fully match the mission of ANA or may jeopardize ANA's tax status.

The Board of the Service Corp is comprised of 5 individuals who are appointed by the ANA Board. The ANA Vice President automatically serves as the Chairman of the Board and the ANA CEO is automatically the President. The Service Corp was inactive during the years ended December 31, 2017 and 2016, and has no carrying equity balance.

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, the Organization). Significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Income Tax Status

The Association and ANCC are exempt from the payment of income taxes under Section 501(c)(6) of the Internal Revenue Code.

The Foundation and the Academy are exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code 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 ANA, ANCC and ANF. The Academy is required to report unrelated business income to the District of Columbia.

Under the provisions of Section 527 of the Internal Revenue Code, political contributions received by the PAC and used for a political campaign or similar purpose are not includable in the taxable income of the organization. However, the PAC is subject to tax on its net investment income.

**AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income Tax Status (Continued)

The Service Corporation is a for-profit taxable entity.

The Organizations evaluated their tax positions and determined that their positions are more-likely-than-not to be sustained on examination.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 to be used for the long-term purposes of the Organization, are classified as investments.

Accounts Receivable

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.

Other – consists of amounts due that are related to group program royalties on member services.

Grants – include amounts due to the Organization for expenses incurred for grant activities but not yet reimbursed.

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.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable (Continued)

If actual collections experience changes, revisions to the allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

As of December 31, 2017 and 2016, the Organization believes that the allowance for doubtful accounts is adequate. However, actual future write-offs might exceed the recorded allowance.

Contributions/Pledges 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. For the years ended December 31, 2017 and 2016, a rate of 3.25% was used to calculate the discount. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included until the conditions are substantially met.

Inventory

Inventory is composed primarily of books, review course materials, magnet merchandise, items held for resale, pamphlets and other publications. The Organization utilizes a perpetual inventory system to value its inventory using the weighted average cost method of valuation. In addition, management of the Organization has established an allowance for obsolete inventory, which is based on management's analysis and prior experience.

Investments

Investments are recorded at fair value. The Organization invests in various securities, including U.S. Government securities, corporate debt securities, equities, and money market funds.

Property and Equipment

Property and equipment is stated at cost. Acquisitions greater than \$1,000 are capitalized and then depreciated using the straight-line method over the estimated service lives of the assets (three to ten years). Leasehold improvements are amortized over the lesser of the remaining life of the lease or the estimated useful of the improvements.

Investment in LLC

During 2003, 8515 Georgia Avenue Associates, LLC (the Company) was organized. The Association, as a member of the Company, has agreed to jointly own and develop certain real property.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Investment in LLC (Continued)

The Association contributed \$1,000,000 as its initial capital contribution resulting in a 7% membership interest. The Association will share in the net profits and losses of the Company in accordance with its membership interest.

At December 31, 2017 and 2016, the fair value of the investment in LLC approximates its cost. The Association received a distribution of \$196,000 and \$234,500 for the years ended December 31, 2017 and 2016, respectively. This amount is recorded as investment income in the consolidated statements of activities.

Fair Value Measurements

The Organization accounts for its financial instruments as well as certain assets and liabilities at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability. Fair value is a market based measurement, not an entity-specific measurement, and should therefore be determined based on the assumptions that market participants would use in pricing the asset or liability. In accordance with US GAAP, an entity holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily determinable is permitted to measure the fair value of such investments on the basis of that NAV or its equivalent without adjustment.

Management uses its best judgment in estimating the fair value of the Organization's investments including its consideration of the use of NAV as a practical expedient. There are inherent limitations in any estimation technique. Because the inherent uncertainty of valuation, this estimated fair value may differ from the value that would have been used had a ready market for such investments existed, and the difference could be significant.

The Organization is required by generally accepted accounting principles to categorize its financial instruments based on three-level fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument.

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

Level 1

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

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements (Continued)

Level 2

Financial assets and liabilities 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 or liability. Level 2 inputs include among others, quoted prices for similar assets or liabilities in active market or non-active market.

Level 3

Financial assets and liabilities 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 or liability.

Other Investments

Other investments consist of amounts paid to acquire the *Online Journal of Issues in Nursing* publication and are recorded at cost.

Deferred Revenue

Deferred revenue consists of dues, event registrations and exhibit fees, appraisal fees, certification and recertification fees, and other revenue received in advance of the period to which they relate. Partial payments relating to certification and recertification fees are treated as deferred revenue since services are no longer performed until payment is received in full.

Net Assets

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, its net assets and revenue 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:

Unrestricted Net Assets - Unrestricted net assets consist of undesignated net assets and designated net assets. Undesignated net assets are funds available for the general operations of the Organization. Designated net assets consist of unrestricted funds designated by the Board of Directors as a strategic investment fund, research and development fund, credentialing research endowment fund, and an acquisition and infrastructure fund.

Temporarily Restricted Net Assets - The Organization reports gifts of cash and other assets as restricted support 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 a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Temporarily restricted assets whose restrictions expire in the same year of receipt are classified as unrestricted revenues in the consolidated statements of activities.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets (Continued)

Permanently Restricted Net Assets - Permanently restricted net assets consist of assets whose use by the Organization is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to appropriate the income generated in accordance with the provisions of the respective agreements.

Contributions

Contributions to the Organization are recorded as unrestricted, temporarily or permanently restricted support depending upon the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in permanently or temporarily restricted net assets. The Organization recognizes unconditional promises to give in the period they are pledged.

Revenue Recognition

Certification/recertification 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 a five-month period starting from the invoice date. Membership dues revenue, administrative service fee income, other income, products and services revenue and conference/webinar/workshop registration fees are recognized in the year in which they are earned. Program fees for the Academy's annual conference are recognized in the period that the event occurred. Grants with donor-imposed purpose and/or time restrictions are recorded as temporarily restricted support in the consolidated statement of activities when promised or received. Contracts revenue includes cost-reimbursable contracts that are subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs, and fixed price contracts, which are recognized proportionately over the life of the contract.

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 activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Measure of Operations

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

Rounding to Thousands

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

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have had no effect on net assets as previously reported.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 26, 2018, the date the consolidated financial statements were available to be issued.

NOTE 2 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.

NOTE 3 CONTRIBUTIONS/PLEDGES RECEIVABLE

Contributions receivable consist of the following at December 31:

	(In Thousands)	
	2017	2016
Unconditional Promises to Give Before Unamortized Discount	\$ 1,005	\$ 720
Less: Unamortized Discount and Reserve	(5)	(5)
Net Unconditional Promises to Give	\$ 1,000	\$ 715

The Organization expects its contributions receivable to be fully realized and consequently did not record an allowance for uncollectible amounts.

The expected future collections of contributions receivable are as follows at December 31:

	(In Thousands)	
	2017	2016
Amounts Due in:		
Less than One Year	\$ 972	\$ 658
One to Five Years	28	57
Total	\$ 1,000	\$ 715

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 4 INVESTMENTS

Investments, at fair value, consist of the following at December 31:

	(In Thousands)	
	2017	2016
Mutual Funds - Equity	\$ 26,310	\$ 24,382
Mutual Funds - Fixed Income	13,624	15,328
Limited Partnerships	3,812	3,066
Certificates of Deposit	500	-
Money Market Funds	580	1,702
Total	\$ 44,826	\$ 44,478

Reserve investment earnings as reported are net of related expenses of \$178,464 and \$226,427 for the years ended December 31, 2017 and 2016, respectively. The following schedule summarizes the reserve investment earnings for the years ended December 31:

	(In Thousands)	
	2017	2016
Investment Earnings, Net	\$ 1,305	\$ 1,072
Realized Gain (Loss) on Investments	754	(309)
Unrealized Gain on Investments	3,969	1,906
Total	\$ 6,028	\$ 2,669

NOTE 5 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurement to record fair value adjustment to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Organizations and Summary of Significant Accounting Policies.

Mutual funds are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Certificates of deposit are valued at amortized cost, which approximates fair value. The estimated fair value of the Organization's interests in limited partnerships is based on valuations provided by the external investment managers using the NAV or its equivalent as a practical expedient to determine the fair value of the underlying investments which do not have a readily determinable fair value.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of the fair value measurements of the Organization's investments within the fair value hierarchy, with a disclosure of the investments measured at NAV to allow reconciliation to the consolidated statements of financial position as of December 31, 2017 and 2016:

		(In Thousands)			
<u>2017</u>	Level 1	Level 2	Level 3	Total	
<i>Investments</i>					
Mutual Funds - Equities	\$ 26,310	\$ -	\$ -	\$ 26,310	
Mutual Funds - Fixed Income	13,624	-	-	13,624	
Mutual Funds - Alternative Investments	520	-	-	520	
Certificates of Deposit	-	500	-	500	
Mutual Funds - Money Market	580	-	-	580	
<i>Total Investments at Fair Value</i>	<u>\$ 41,034</u>	<u>\$ 500</u>	<u>\$ -</u>	41,534	
<i>Investments Measured at NAV</i>					
Limited Partnerships				3,292	
<i>Total Investments</i>				<u>\$ 44,826</u>	
		(In Thousands)			
<u>2016</u>	Level 1	Level 2	Level 3	Total	
<i>Investments</i>					
Mutual Funds - Equities	\$ 24,382	\$ -	\$ -	\$ 24,382	
Mutual Funds - Fixed Income	15,328	-	-	15,328	
Mutual Funds - Money Market	1,702	-	-	1,702	
Mutual Funds - Alternative Investments	479	-	-	479	
<i>Total Investments at Fair Value</i>	<u>\$ 41,891</u>	<u>\$ -</u>	<u>\$ -</u>	41,891	
<i>Investments Measured at NAV</i>					
Limited Partnerships				2,587	
<i>Total Investments</i>				<u>\$ 44,478</u>	

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of the fair value measurements within the fair value hierarchy of the investments held by the Organization's defined benefit plan, with a disclosure of the investments measured at NAV to allow reconciliation to the total plan assets disclosed in Note 10 within the plan's funded status disclosure as of December 31, 2017 and 2016:

	(In Thousands)			
<u>2017</u>	Level 1	Level 2	Level 3	Total
<i>Defined Benefit Plan Assets</i>				
Money Market Funds	\$ 716	\$ -	\$ -	\$ 716
Equity Securities	7,527	-	-	7,527
Debt Securities	-	-	1,808	1,808
Equity Mutual Funds	6,519	-	-	6,519
Debt Mutual Funds	7,399	-	-	7,399
<i>Total Plan Assets at Fair Value</i>	<u>\$ 22,161</u>	<u>\$ -</u>	<u>\$ 1,808</u>	23,969
<i>Plan Assets Measured at NAV</i>				
Other Assets				486
<i>Total Plan Assets</i>				<u>\$ 24,455</u>
	(In Thousands)			
<u>2016</u>	Level 1	Level 2	Level 3	Total
<i>Defined Benefit Plan Assets</i>				
Money Market Funds	\$ 538	\$ -	\$ -	\$ 538
Equity Securities	7,077	-	-	7,077
Debt Securities	-	-	1,808	1,808
Equity Mutual Funds	5,915	-	-	5,915
Debt Mutual Funds	6,312	-	-	6,312
<i>Total Defined Benefit Plan Assets</i>	<u>\$ 19,842</u>	<u>\$ -</u>	<u>\$ 1,808</u>	21,650
<i>Plan Assets Measured at NAV</i>				
Other Assets				548
<i>Total Plan Assets</i>				<u>\$ 22,198</u>

In accordance with ASC subtopic 820-10, certain investments are 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.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments measured at net asset value by major category are as follows:

	2017 (In Thousands)			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Rockefeller:				
Balanced Fund LP	\$ 2,736	\$ -	Quarterly	5 days
Libra Fund LP (Equities)	556	-	Monthly	5 days
	<u>\$ 3,292</u>			
	2016 (In Thousands)			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Rockefeller:				
Balanced Fund LP	\$ 2,170	\$ 6,259	Qtrly	5 days
Libra Fund LP (Equities)	417	\$ -	Monthly	5 days
	<u>\$ 2,587</u>			

Defined benefit plan assets measured at net asset value by major category are as follows:

	2017 (In Thousands)			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Multi-Strategy LP	\$ 486	\$ -	Monthly	Monthly
	2016 (In Thousands)			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Multi-Strategy LP	\$ 548	\$ -	Monthly	Monthly

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Assets

Debt securities 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. The following table provides a summary of changes in the Organization's Level 3 assets for the years ended December 2017 and 2016:

	(In Thousands)	
	2017	2016
Beginning Balance, January 1	\$ 1,808	\$ 1,819
Interest Credited	76	70
Market Adjustment	34	33
Purchases, Issuances and Settlements, Net	(110)	(114)
Ending Balance, December 31	<u>\$ 1,808</u>	<u>\$ 1,808</u>

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	(In Thousands)	
	2017	2016
Property and Equipment	\$ 14,670	\$ 14,342
Leasehold Improvements	5,297	4,986
Work in Progress	5,811	3,002
Total	<u>25,778</u>	<u>22,330</u>
Less: Accumulated Depreciation and Amortization	(13,444)	(11,672)
Total	<u>\$ 12,334</u>	<u>\$ 10,658</u>

NOTE 7 LINE OF CREDIT

In July 2007, the Association purchased a condominium in downtown Silver Spring, Maryland. The financing for the condo is a 10-year line of credit through Merrill Lynch. Monthly payments of principal and interest are made on the line of credit. The interest rate is equal to the London Interbank Offered Rate (LIBOR) plus 1.5%. The line of credit is collateralized by the investments held at Merrill Lynch. The outstanding balance was paid off in full as of December 31, 2017, when the condominium was sold.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the unspent portion of temporarily restricted contributions received by the Organization and investment income earned on permanently restricted contributions. These temporarily restricted net assets are restricted to the following programs at December 31:

	(In Thousands)	
	2017	2016
AAN Programs-Restricted Funds	\$ 472	\$ 639
Foundation Programs-Restricted Funds	2,725	2,257
ANA Nursing Scholarships and Special Awards	282	201
Total	\$ 3,479	\$ 3,097

NOTE 9 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of investments and/or cash and cash equivalents carried at fair value. These assets are restricted to the following funds at December 31:

	(In Thousands)	
	2017	2016
Credentialing Research Endowment for Nursing Fund	\$ 385	\$ 588
Virginia Stone Fund	404	404
Florence Nightingale Fund	236	236
Elizabeth Carnegie Fund	186	186
Virginia Kelley Fund	216	216
Joyce J. Fitzpatrick Endowed Leadership Research Fund	108	102
Irene Trowell-Harris Leadership Fund	100	100
Irma Lou Hirsch Leadership	100	-
Constance Baker Endowment	100	-
Bea Kalish Endowment	44	44
Anne Zimmerman Fund	76	76
Hildegard Peplau Fund	76	76
Chow/Togasaki/Breitenbach Fund	64	61
Sayre Memorial Fund	45	45
Eleanor Lambertsen Fund	43	43
Dorothy Cornelius Fund	40	40
Virginia Cleland Fund	40	40
McClure Fund	58	37
Burnett Munsil Fund	26	20
Leadership and Innovation Fund	10	10
Rose/Abraham Constantino	5	-
Rock the Foundation	1	1
Lockwood Fund	20	20
Scott Fund	11	11
Drieves Fund	3	3
Total	\$ 2,397	\$ 2,359

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 RETIREMENT BENEFITS

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, 2017 and 2016, amounted to \$1,740,311 and \$1,581,531, respectively.

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 for the years ended December 31, 2017 and 2016, was \$31,684 and \$27,701, respectively.

Defined Benefit Plan

The Association sponsors a noncontributory, defined benefit pension plan that covers substantially all of its employees, inclusive of affiliated entity employees. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service and compensation rates near retirement. Contributions to the plan reflect benefits attributed to employees' services to date, as well as benefits expected to be earned in the future. Plan assets consist primarily of equity securities, equity mutual funds and debt mutual funds.

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. The Association's policy is to fund at least the minimum funding required by the Employee Retirement Plan Income Security Act of 1974. Projected contributions for 2018 are \$1,486,000. In May 1998, upon dissolution of American Journal of Nursing (AJN), AJN's plan assets and liabilities were transferred to the Association and, therefore, are included in the following tables.

The measurement dates used for the plan are as of December 31, 2017 and 2016, and for the years then ended. The following table sets forth the plan's funded status and amounts recognized in the consolidated financial statements at December 31:

	(In Thousands)	
	2017	2016
Accumulated Benefit Obligation	\$ 35,720	\$ 33,579
	2017	2016
Benefit Obligation at December 31	\$ (35,720)	\$ (33,579)
Fair Value of Plan Assets at December 31	24,455	22,198
Funded Status**	<u>\$ (11,265)</u>	<u>\$ (11,381)</u>

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

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 RETIREMENT BENEFITS (CONTINUED)

Defined Benefit Plan (Continued)

	(In Thousands)	
	2017	2016
Change in Benefit Obligation		
Balance - Beginning of Year	\$ 33,579	\$ 38,793
Interest Cost	1,171	1,226
Plan Curtailments	-	(5,401)
Benefits Paid	(1,555)	(1,436)
Actuarial (Loss) Gain	2,525	397
Balance - End of Year	<u>\$ 35,720</u>	<u>\$ 33,579</u>
Change in Plan Assets		
Balance - Beginning of Year	\$ 22,198	\$ 26,949
Actual Return on Plan Assets	3,013	1,537
Employer Contributions	799	549
Plan Settlements	-	(5,401)
Benefits Paid	(1,555)	(1,436)
Balance - End of Year	<u>\$ 24,455</u>	<u>\$ 22,198</u>
Pension-Related Changes Other Than Net Periodic Pension Cost:		
Net Loss During the Year	\$ 916	\$ 328
Amortization of Prior Service Credit	(11)	(11)
Amortization of Net Loss	(420)	(2,561)
Total	<u>\$ 485</u>	<u>\$ (2,244)</u>
Net Periodic Pension Costs Consist of:		
Interest Costs	\$ 1,171	\$ 1,225
Expected Return on Plan Assets	(1,404)	(1,468)
Amortization of Prior Service Costs	11	11
Amortization of Net Loss	420	392
Settlement Loss	-	2,169
Total	<u>\$ 198</u>	<u>\$ 2,329</u>

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

	2017	2016
Discount Rate	4.28%	4.57%
Rate of Compensation Increase	Not Applicable	Not Applicable
Expected Return on Assets	6.50%	7.00%

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

	2017	2016
Discount Rate	3.68%	4.28%
Rate of Compensation Increase	Not Applicable	Not applicable
Measurement Date	12/31/2017	12/31/2016

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 10 RETIREMENT BENEFITS (CONTINUED)

Defined Benefit Plan (Continued)

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.

The components of the plan assets are as follows at December 31:

	(In Thousands)	
	2017	2016
Equity Securities	\$ 7,527	\$ 7,077
Debt Securities	1,808	1,808
Equity Mutual Funds	6,519	5,915
Debt Mutual Funds	7,399	6,312
Liquid Assets	716	538
Other Assets	486	548
Total Plan Assets at Fair Value	\$ 24,455	\$ 22,198

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 Investments	9%
Total	100%

No plan assets are expected to be returned to the Association for the year ending December 31, 2017.

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

<u>Year Ending December 31,</u>	<u>(In Thousands)</u>
2018	\$ 1,900
2019	1,986
2020	1,969
2021	2,008
2022	2,016
2023 to 2027	10,267

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 11 COMMITMENTS AND CONTINGENCIES

Operating Leases

During September 2004, the Association moved its headquarters to Silver Spring, Maryland and entered into an office lease agreement and amendments that expire October 31, 2024. The lease agreement contains an escalation provision that increases the annual base rent per year and provided a tenant improvement allowance. The annual rent increase and tenant improvement allowance is being amortized over the life of the lease, and as a result, the Association is recognizing rent expense on a straight-line basis over the lease term. The unamortized portion resulting from the difference between the amounts paid and expensed make up the deferred rent obligation and is included within accounts payable and accrued expenses on the consolidated statements of financial position.

During February 2015, the Association entered into an 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. The annual rent increase is being amortized over the life of the lease, and as a result, the Association is recognizing rent expense on a straight-line basis over the lease term. The unamortized portion resulting from the difference between the amounts paid and expensed make up the deferred rent obligation and is included within accounts payable and accrued expenses on the consolidated statements of financial position.

For the Silver Spring office lease, rent was allocated among the Association, ANCC and the Foundation based on the square footage occupied by each entity.

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 base monthly rent starting on December 1, 2015, is \$15,570 with a 2.5% annual increase. An allowance of up to \$173,800 is allowed for improvements to the property and the purchase of certain furniture and equipment. The Academy also pays its proportionate share of operating expenses and real estate taxes.

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

<u>Year Ending December 31,</u>	<u>(In Thousands)</u>
2018	\$ 3,720
2019	3,821
2020	3,926
2021	3,928
2022	3,886
Thereafter	7,316
Total	<u>\$ 26,597</u>

Rental expense under both leases for the years ended December 31, 2017 and 2016, amounted to approximately \$3,636,000 and \$3,478,000, respectively.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Sublease Agreement

The Association entered into a non-cancelable operating sublease agreement with RLJ Entertainment, Inc. to sublet office space in the Association's Silver Spring, MD headquarters building. The sublease term was effective as of November 16, 2013 and expires on November 15, 2020. The lease agreement contains an escalation provision that increases the annual base rent per year.

The following is a schedule by years of future minimum rentals under the sublease at December 31, 2017:

Year Ending December 31,	(In Thousands)
2018	\$ 398
2019	410
2020	368
Total	\$ 1,176

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. Terminated employees were entitled to at least four weeks of compensation, as well as two to four months of health coverage. 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.

The Association has 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, 2017. These agreements contain clauses whereby the Organization may be liable for liquidated damages in the event of cancellation. At December 31, 2017, the maximum potential amount of liquidated damages approximated \$1,052,000. Currently, the Organization has no plans to cancel conferences or meetings that would occur in the future and result in liquidated damages.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Welfare Benefit Plan

The Association maintains a partially self-insured, self-funded employee welfare benefit plan. The Association is responsible for claims up to \$100,000 per member annually and aggregate claims up to \$2,538,431 annually.

Retirees with more than fifteen years of service are eligible to continue participating in the plan with full premium costs borne by them, not the Association.

NOTE 12 FUNCTIONAL EXPENSES

The Organization is required to disclose its direct and indirect expenses on a functional basis. As a result, the Organization has allocated its indirect expenses to the program and supporting services benefited based on direct cost percentages. Fully allocated expenses, by function, are as follows for the years ended December 31:

	(In Thousands)	
	2017	2016
Program Services:		
Membership	\$ 10,073	\$ 10,030
Certification/Recertification	13,227	15,065
Recognition Programs	8,131	9,488
Grant Award Programs	3,881	2,940
Programs & Special Initiatives	9,621	10,229
Nursing Knowledge Center (NKC)	10,971	10,998
Conventions and Meetings	1,075	989
Services and Programs	2,251	2,403
NKC Products and Services	11,469	11,139
Accreditation	1,413	1,955
Contributions to Political Candidates	169	310
Total Program Services	72,281	75,546
Support Services:		
Governance, Administration and General	6,156	4,467
Fundraising	436	379
Total Support Services	6,592	4,846
Total Expenses	\$ 78,873	\$ 80,392

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 13 ENDOWMENT

Endowments consist of both donor-restricted endowments and board designated quasi-endowment fund.

Uniform Prudent Management of Institutional Funds Act

In April 2009 the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective in the State of Maryland. Under UPMIFA all unappropriated endowment fund assets are considered restricted. The Board of Directors has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (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 classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 that average rates of investment returns shall approximate seven to nine percent annually. Actual experience in any given year may vary from this amount.

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 13 ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

Spending rate policy will be five percent (5%). 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.

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, 2017 and 2016:

	(In Thousands)			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, January 1, 2016	\$ -	\$ 1,345	\$ 2,300	\$ 3,645
Investment Return	-	284	1	285
Contributions	-	6	114	120
Appropriations	-	(354)	(56)	(410)
Endowment Net Assets, December 31, 2016	\$ -	\$ 1,281	\$ 2,359	\$ 3,640
Investment Return	56	528	6	590
Contributions	53	96	235	384
Appropriations	-	(301)	-	(301)
Net Asset Reclassification	341	(138)	(203)	-
Endowment Net Assets, December 31, 2017	<u>\$ 450</u>	<u>\$ 1,466</u>	<u>\$ 2,397</u>	<u>\$ 4,313</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations. The Organization had no deficiencies of this nature as of December 31, 2017 and 2016.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
American Nurses Association, Inc. and Entities
Silver Spring, Maryland

We have audited the consolidated financial statements of the American Nurses Association, Inc. and Entities as of and for the years ended December 31, 2017 and 2016, and our report thereon dated September 26, 2018, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated statements of financial position and activities are presented for purposes of additional analysis and are 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. We did not apply audit procedures on supplementary information related to the American Academy of Nursing as of and for the year ended December 31, 2017. That supplementary information has been furnished to us by other auditors, and our opinion, insofar as it relates to the amounts included for the American Academy of Nursing is based solely on the report of the other auditors. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
September 26, 2018

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(See Independent Auditors' Report on Supplementary Information:
(In Thousands))

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Consolidated Total
ASSETS							
Cash and Cash Equivalents	\$ 1,923	\$ 450	\$ 1,949	\$ 1,519	\$ 206	\$ -	\$ 6,047
Accounts Receivable:							
Constituent/State Nurses Association, Net of Allowance of \$657	475	-	-	-	-	-	475
Trade, Net of Allowance of \$100	-	-	45	1,607	-	-	1,652
Other, Net of Allowance of \$42	1,213	-	-	-	-	-	1,213
Grants	3,305	-	30	-	-	-	3,335
Total Accounts Receivable	4,993	-	75	1,607	-	-	6,675
Contributions/Pledges Receivable	-	1,000	-	-	-	-	1,000
Inventory, Net	203	-	17	-	-	-	220
Prepaid Expenses and Deposits	996	2	65	253	-	-	1,316
Investments	27,735	5,621	4,158	7,312	-	-	44,826
Property and Equipment, Net	9,495	2	128	2,709	-	-	12,334
Investment in LLC	1,000	-	-	-	-	-	1,000
Due from Related Organizations	1,642	-	-	7,703	-	(9,345)	-
Other Investments	63	-	-	-	-	-	63
Total Assets	<u>\$ 48,050</u>	<u>\$ 7,075</u>	<u>\$ 6,392</u>	<u>\$ 21,103</u>	<u>\$ 206</u>	<u>\$ (9,345)</u>	<u>\$ 73,481</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Dues Collected on Behalf of Constituent Member Associations	\$ 652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652
Accounts Payable and Accrued Expenses	1,821	(10)	119	1,290	-	-	3,220
Accrued Salary, Vacation, Pension Obligation and Related Expenses	13,133	-	-	-	-	-	13,133
Grants Payable	-	40	-	-	-	-	40
Due to Related Organizations	7,705	1,472	-	168	-	(9,345)	-
Deferred Rent	2,992	-	136	-	-	-	3,128
Deferred Revenue	2,575	-	584	963	-	-	4,122
Line of Credit	-	-	-	-	-	-	-
Total Liabilities	<u>28,878</u>	<u>1,502</u>	<u>839</u>	<u>2,421</u>	<u>-</u>	<u>(9,345)</u>	<u>24,295</u>
NET ASSETS							
Unrestricted - Undesignated	17,647	34	4,630	17,892	206	-	40,408
Unrestricted - Designated	1,209	451	451	790	-	-	2,901
Total Unrestricted Net Assets	<u>18,856</u>	<u>485</u>	<u>5,081</u>	<u>18,682</u>	<u>206</u>	<u>-</u>	<u>43,309</u>
Temporarily Restricted	282	2,725	472	-	-	-	3,479
Permanently Restricted	34	2,363	-	-	-	-	2,397
Total Net Assets	<u>19,172</u>	<u>5,573</u>	<u>5,553</u>	<u>18,682</u>	<u>206</u>	<u>-</u>	<u>49,186</u>
Total Liabilities and Net Assets	<u>\$ 48,050</u>	<u>\$ 7,075</u>	<u>\$ 6,392</u>	<u>\$ 21,103</u>	<u>\$ 206</u>	<u>\$ (9,345)</u>	<u>\$ 73,481</u>

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016
(See Independent Auditors' Report on Supplementary Information:
(In Thousands)

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Consolidated Total
ASSETS							
Cash and Cash Equivalents	\$ 78	\$ 23	\$ 2,131	\$ 2,397	\$ 112	\$ -	\$ 4,741
Accounts Receivable:							
Constituent Member Associations	938	-	-	-	-	-	938
Trade, Net of Allowance of \$122	-	-	67	1,336	-	-	1,403
Other, Net of Allowance of \$71	1,974	-	-	-	-	-	1,974
Grants	1,155	-	55	-	-	-	1,210
Total Accounts Receivable	4,067	-	122	1,336	-	-	5,525
Contributions/Pledges Receivable	-	715	-	-	-	-	715
Inventory, Net	304	-	-	219	-	-	523
Prepaid Expenses and Deposits	767	-	73	136	-	-	976
Investments	29,532	5,521	3,030	6,395	-	-	44,478
Property and Equipment, Net	8,259	3	156	2,240	-	-	10,658
Investment in LLC	1,000	-	-	-	-	-	1,000
Due from Related Organizations	-	-	-	4,322	-	(4,322)	-
Other Investments	66	-	-	-	-	-	66
Total Assets	<u>\$ 44,073</u>	<u>\$ 6,262</u>	<u>\$ 5,512</u>	<u>\$ 17,045</u>	<u>\$ 112</u>	<u>\$ (4,322)</u>	<u>\$ 68,682</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Dues Collected on Behalf of Constituent/State Nurses Association	\$ 586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586
Accounts Payable and Accrued Expenses	5,406	94	324	1,706	-	-	7,530
Accrued Salary, Vacation, Pension Obligation and Related Expenses	12,809	-	-	-	-	-	12,809
Grants Payable	-	27	-	-	-	-	27
Due to Related Organizations	2,710	1,396	-	216	-	(4,322)	-
Deferred Revenue	2,549	10	199	467	-	-	3,225
Line of Credit	343	-	-	-	-	-	343
Total Liabilities	24,403	1,527	523	2,389	-	(4,322)	24,520
NET ASSETS							
Unrestricted - Undesignated	17,562	153	3,968	13,867	112	-	35,662
Unrestricted - Designated	1,873	-	382	789	-	-	3,044
Total Unrestricted Net Assets	19,435	153	4,350	14,656	112	-	38,706
Temporarily Restricted	201	2,257	639	-	-	-	3,097
Permanently Restricted	34	2,325	-	-	-	-	2,359
Total Net Assets	19,670	4,735	4,989	14,656	112	-	44,162
Total Liabilities and Net Assets	<u>\$ 44,073</u>	<u>\$ 6,262</u>	<u>\$ 5,512</u>	<u>\$ 17,045</u>	<u>\$ 112</u>	<u>\$ (4,322)</u>	<u>\$ 68,682</u>

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017
(See Independent Auditors' Report on Supplementary Information:
(In Thousands)

	American Nurses Association				American Nurses Foundation				American Academy of Nursing			American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Unrestricted Total	Temp Total	Perm Total	Consolidated Total
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Total	Unrestricted	Unrestricted					
		Restricted	Restricted			Restricted	Restricted			Restricted								
REVENUE																		
Membership Dues	\$ 16,057	\$ -	\$ -	\$ 16,057	\$ -	\$ -	\$ -	\$ -	\$ 1,210	\$ 78	\$ 1,288	\$ -	\$ -	\$ -	\$ 17,267	\$ 78	\$ -	\$ 17,345
Related Organization Administrative Service Fees and Revenue Share	14,231	-	-	14,231	-	-	-	-	-	-	-	-	-	(14,231)	-	-	-	-
Products and Services	2,344	-	-	2,344	66	-	66	243	15	258	3,436	-	-	(103)	5,986	15	-	6,001
Contributions, Grants and Contracts	3,066	-	-	3,066	855	1,248	2,359	196	297	493	-	264	(696)	3,686	1,545	235	5,467	
Publications Sales	2,220	-	-	2,220	-	-	-	-	-	-	406	-	-	-	2,626	-	-	2,626
Rental Income	1,897	-	-	1,897	-	-	-	-	-	-	-	-	-	(1,461)	436	-	-	436
Other Income	494	-	-	494	18	-	18	109	-	109	180	-	-	-	801	-	-	801
Investment Income	196	-	-	196	-	-	-	-	-	-	-	-	-	-	196	-	-	196
Conventions and Conference Fees	3,059	-	-	3,059	-	-	-	1,084	154	1,238	8,446	-	-	-	12,589	154	-	12,743
Credentialing Services and Programs	-	-	-	-	-	-	-	-	-	-	32,739	-	-	-	32,739	-	-	32,739
Net Assets Released from Restrictions Satisfaction of Program and Time Restrictions	-	-	-	-	1,443	(1,240)	(203)	-	711	(711)	-	-	-	-	2,154	(1,951)	(203)	-
Total Revenue	43,564	-	-	43,564	2,382	8	32	2,423	3,553	(167)	3,386	45,208	264	(16,490)	78,480	(159)	32	78,354
EXPENSES																		
Membership	6,711	-	-	6,711	-	-	-	-	-	-	-	-	-	-	6,711	-	-	6,711
Certification/Recertification	-	-	-	-	-	-	-	-	-	-	9,498	-	-	-	9,498	-	-	9,498
Recognition Programs	-	-	-	-	-	-	-	-	-	-	6,037	-	-	(275)	5,762	-	-	5,762
Grant Award Programs	2,066	-	-	2,066	498	-	498	-	-	-	-	-	-	-	2,564	-	-	2,564
Programs & Special Initiatives	6,410	-	-	6,410	-	-	-	-	-	-	-	-	-	-	6,410	-	-	6,410
Nursing Knowledge Center (NKC)	7,309	-	-	7,309	-	-	-	-	-	-	-	-	-	-	7,309	-	-	7,309
Conventions and Meetings	-	-	-	-	-	-	-	-	1,075	-	1,075	-	-	-	1,075	-	-	1,075
Services and Programs	-	-	-	-	661	-	661	-	1,218	-	1,218	-	-	-	1,879	-	-	1,879
NKC Products and Services	-	-	-	-	-	-	-	-	-	-	-	8,236	-	-	8,236	-	-	8,236
Accreditation	-	-	-	-	-	-	-	-	-	-	-	1,014	-	-	1,014	-	-	1,014
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	-	-	170	-	170	-	-	170
Governance, Administration and General	25,034	-	-	25,034	871	-	871	889	-	889	17,313	-	-	(16,215)	27,892	-	-	27,892
Fundraising	-	-	-	-	149	-	149	204	-	204	-	-	-	-	353	-	-	353
Total Expenses	47,530	-	-	47,530	2,179	-	-	2,179	3,386	-	3,386	42,098	170	(16,490)	78,873	-	-	78,873
CHANGE IN NET ASSETS FROM OPERATIONS	(3,966)	-	-	(3,966)	203	8	32	244	167	(167)	-	3,110	94	-	(393)	(159)	32	(519)
OTHER ITEMS																		
Reserve Investment Earnings	3,872	81	-	3,953	128	460	6	594	564	-	564	917	-	-	5,481	541	6	6,028
Total Other Items	3,872	81	-	3,953	128	460	6	594	564	-	564	917	-	-	5,481	541	6	6,028
Change in Net Assets Before Pension Adjustments	(95)	81	-	(14)	332	468	38	838	731	(167)	564	4,026	94	-	5,088	382	38	5,508
Pension-Related Changes Other Than Net Periodic Pension Cost	(485)	-	-	(485)	-	-	-	-	-	-	-	-	-	-	(485)	-	-	(485)
CHANGE IN NET ASSETS	(579)	81	-	(498)	332	468	38	838	731	(167)	564	4,026	94	-	4,603	382	38	5,024
Net Assets - January 1, 2017	19,435	201	34	19,670	153	2,257	2,325	4,735	4,350	639	4,989	14,656	112	-	38,706	3,097	2,359	44,162
NET ASSETS - DECEMBER 31, 2017	\$ 18,856	\$ 282	\$ 34	\$ 19,172	\$ 485	\$ 2,725	\$ 2,363	\$ 5,573	\$ 5,081	\$ 472	\$ 5,553	\$ 18,682	\$ 206	\$ -	\$ 43,309	\$ 3,479	\$ 2,397	\$ 49,186

AMERICAN NURSES ASSOCIATION, INC. AND ENTITIES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016
(See Independent Auditors' Report on Supplementary Information:
(In Thousands)

	American Nurses Association				American Nurses Foundation				American Academy of Nursing			Center	Committee	Eliminations	Unrestricted Total	Temp Total	Perm Total	Consolidated Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Unrestricted					
REVENUE																		
Membership Dues	\$ 15,409	\$ -	\$ -	\$ 15,409	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 70	\$ 1,039	\$ -	\$ -	\$ -	\$ 16,378	\$ 70	\$ -	\$ 16,448
Related Organization Administrative																		
Service Fees and Revenue Share	13,287	-	-	13,287	-	-	-	-	-	-	-	-	-	(13,287)	-	-	-	-
Products and Services	2,482	-	-	2,482	-	-	-	-	162	72	234	1,571	-	-	4,215	72	-	4,287
Contributions, Grants and Contracts	2,139	-	-	2,139	771	612	114	1,497	211	263	474	-	238	(620)	2,739	875	114	3,728
Publications Sales	2,185	-	-	2,185	-	-	-	-	-	-	-	76	-	-	2,261	-	-	2,261
Rental Income	1,903	-	-	1,903	-	-	-	-	-	-	-	-	-	(1,589)	314	-	-	314
Other Income	1,054	-	-	1,054	15	-	-	15	318	-	318	496	-	-	1,883	-	-	1,883
Investment Income	235	-	-	235	-	-	-	-	-	-	-	-	-	-	235	-	-	235
Conventions and Conference Fees	3,139	-	-	3,139	-	-	-	-	1,073	429	1,502	9,688	-	-	13,900	429	-	14,329
Credentialing Services and Programs	-	-	-	-	-	-	-	-	-	-	-	31,999	-	-	31,999	-	-	31,999
Net Assets Released from Restrictions Satisfaction of Program and Time Restrictions	-	-	-	-	1,082	(1,026)	(56)	-	1,016	(1,016)	-	-	-	-	2,098	(2,042)	(56)	-
Total Revenue	41,833	-	-	41,833	1,868	(414)	58	1,512	3,749	(182)	3,567	43,830	238	(15,496)	76,022	(596)	58	75,484
EXPENSES																		
Program Services:																		
Membership	6,620	-	-	6,620	-	-	-	-	-	-	-	-	-	-	6,620	-	-	6,620
Certification/Recertification	-	-	-	-	-	-	-	-	-	-	-	9,506	-	-	9,506	-	-	9,506
Recognition Programs	-	-	-	-	-	-	-	-	-	-	-	5,987	-	(620)	5,367	-	-	5,367
Grant Award Programs	1,724	-	-	1,724	537	-	-	537	-	-	-	-	-	-	2,261	-	-	2,261
Programs & Special Initiatives	6,490	-	-	6,490	-	-	-	-	-	-	-	-	-	-	6,490	-	-	6,490
Nursing Knowledge Center (NKC)	7,121	-	-	7,121	-	-	-	-	-	-	-	-	-	-	7,121	-	-	7,121
Conventions and Meetings	-	-	-	-	-	-	-	-	989	-	989	-	-	-	989	-	-	989
Services and Programs	-	-	-	-	489	-	-	489	1,582	-	1,582	-	-	-	2,071	-	-	2,071
NKC Products and Services	-	-	-	-	-	-	-	-	-	-	-	7,029	-	-	7,029	-	-	7,029
Accreditation	-	-	-	-	-	-	-	-	-	-	-	1,234	-	-	1,234	-	-	1,234
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	-	-	309	-	309	-	-	309
Total Program Services	21,955	-	-	21,955	1,026	-	-	1,026	2,571	-	2,571	23,756	309	(620)	48,997	-	-	48,997
Supporting Services:																		
Governance, Administration and General	26,383	-	-	26,383	913	-	-	913	850	-	850	17,827	-	(14,876)	31,097	-	-	31,097
Fundraising	-	-	-	-	119	-	-	119	179	-	179	-	-	-	298	-	-	298
Total Supporting Services	26,383	-	-	26,383	1,032	-	-	1,032	1,029	-	1,029	17,827	-	(14,876)	31,395	-	-	31,395
Total Expenses	48,338	-	-	48,338	2,058	-	-	2,058	3,600	-	3,600	41,583	309	(15,496)	80,392	-	-	80,392
CHANGE IN NET ASSETS FROM OPERATIONS	(6,505)	-	-	(6,505)	(190)	(414)	58	(546)	149	(182)	(33)	2,247	(71)	-	(4,370)	(596)	58	(4,908)
OTHER ITEMS																		
Reserve Investment Earnings	1,727	37	-	1,764	64	248	1	313	170	-	170	422	-	-	2,383	285	1	2,669
Total Other Items	1,727	37	-	1,764	64	248	1	313	170	-	170	422	-	-	2,383	285	1	2,669
Change in Net Assets Before Pension Adjustments	(4,778)	37	-	(4,741)	(126)	(166)	59	(233)	319	(182)	137	2,669	(71)	-	(1,987)	(311)	59	(2,239)
Pension-Related Changes Other Than Net Periodic Pension Cost	464	-	-	464	-	-	-	-	-	-	-	-	-	-	464	-	-	464
CHANGE IN NET ASSETS	(4,314)	37	-	(4,277)	(126)	(166)	59	(233)	319	(182)	137	2,669	(71)	-	(1,523)	(311)	59	(1,775)
Net Assets - January 1, 2016	23,749	164	34	23,947	279	2,423	2,266	4,968	4,031	821	4,852	11,987	183	-	40,229	3,408	2,300	45,937
NET ASSETS - DECEMBER 31, 2016	\$ 19,435	\$ 201	\$ 34	\$ 19,670	\$ 153	\$ 2,257	\$ 2,325	\$ 4,735	\$ 4,350	\$ 639	\$ 4,989	\$ 14,656	\$ 112	\$ -	\$ 38,706	\$ 3,097	\$ 2,359	\$ 44,162