



MUELLER & CO., LLP

Certified Public Accountants – Business & Financial Advisors

ASSURANCE

**EMERGENCY NURSES ASSOCIATION AND AFFILIATE
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

MUELLER

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CONTENTS

	<u>PAGE</u>
Consolidated Financial Statements	
Independent Auditors' Report	1-2
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Cash Flows.....	5
Notes to Consolidated Financial Statements.....	6-22
Supplementary Information	
Independent Auditors' Report on Supplementary Information	23
Emergency Nurses Association (ENA)	
Statements of Financial Position.....	24
Statements of Activities and Changes in Net Assets	25
Statements of Cash Flows.....	26
ENA Foundation	
Statements of Financial Position.....	27
Statements of Activities and Changes in Net Assets	28
Statements of Cash Flows.....	29



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INDEPENDENT AUDITORS' REPORT

Finance Committee
Emergency Nurses Association
ENA Foundation Board of Trustees
Des Plaines, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Emergency Nurses Association and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 audits. 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of 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.

Auditors' Responsibility, Continued

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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Emergency Nurses Association and Affiliate as of December 31, 2017 and 2016, and the consolidated changes in their net assets and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Muller & Co., LLP

Elgin, Illinois
July 26, 2018

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 1,131,619	684,750
Accounts receivable, net of allowance for doubtful accounts of \$177,101 and \$156,028 for 2017 and 2016, respectively	1,538,539	1,510,641
Other receivables	16,754	-
Inventory	61,301	103,587
Prepaid expenses and other current assets	379,382	223,605
Total current assets	3,127,595	2,522,583
Property and equipment, net	8,085,292	3,469,691
Investments	21,738,528	20,614,054
Total assets	\$ 32,951,415	26,606,328

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 373,025	216,975
Wages and benefits payable	757,824	895,210
Accrued expenses	656,497	277,356
Current portion of deferred revenue	3,088,599	3,091,840
Credits on customer accounts	899,963	840,709
Assessments payable	1,602,037	1,496,502
Total current liabilities	7,377,945	6,818,592
Long-term liabilities:		
Deferred revenue, net of current portion	682,759	818,789
Bond payable	3,837,071	-
Total long-term liabilities	4,519,830	818,789
Total liabilities	11,897,775	7,637,381
Net assets:		
Unrestricted:		
Undesignated	17,921,459	16,484,058
Board designated	2,134,147	1,610,518
Total unrestricted	20,055,606	18,094,576
Temporarily restricted	248,014	153,061
Permanently restricted	750,020	721,310
Total net assets	21,053,640	18,968,947
Total liabilities and net assets	\$ 32,951,415	26,606,328

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Revenue, Gains and Other Support:								
Courses	\$ 11,802,333	-	-	11,802,333	11,557,442	-	-	11,557,442
Membership dues	4,077,436	-	-	4,077,436	3,934,513	-	-	3,934,513
Conferences	2,652,563	-	-	2,652,563	2,959,573	-	-	2,959,573
Publications	833,903	-	-	833,903	786,312	-	-	786,312
Marketplace	400,675	-	-	400,675	342,000	-	-	342,000
Sponsorships	365,415	-	-	365,415	370,020	-	-	370,020
Royalties	312,712	-	-	312,712	327,666	-	-	327,666
Other	236,093	-	-	236,093	181,613	-	-	181,613
Grants	66,847	-	-	66,847	15,650	-	-	15,650
Mailing lists	27,927	-	-	27,927	29,605	-	-	29,605
Contributions	145,350	212,601	28,710	386,661	163,167	217,558	44,208	424,933
Donated services	145,000	-	-	145,000	101,600	-	-	101,600
Special event revenue, net of direct expenses of \$27,613 and \$61,387 for 2017 and 2016, respectively	55,711	-	-	55,711	2,081	-	-	2,081
Net assets released from restrictions	249,962	(249,962)	-	-	244,996	(244,996)	-	-
Total revenue, gains and other support	21,371,927	(37,361)	28,710	21,363,276	21,016,238	(27,438)	44,208	21,033,008
Expenses:								
Programs, grants and scholarships	14,451,321	-	-	14,451,321	13,673,390	-	-	13,673,390
Support services, management and general	5,570,394	-	-	5,570,394	5,712,183	-	-	5,712,183
Fundraising and development	1,424,854	-	-	1,424,854	1,268,614	-	-	1,268,614
Total expenses	21,446,569	-	-	21,446,569	20,654,187	-	-	20,654,187
Increase (decrease) in net assets - before other income	(74,642)	(37,361)	28,710	(83,293)	362,051	(27,438)	44,208	378,821
Other income (expense):								
Interest expense	(17,225)	-	-	(17,225)	-	-	-	-
Rental income	159,855	-	-	159,855	-	-	-	-
Investment income	1,893,042	132,314	-	2,025,356	1,168,569	75,630	-	1,244,199
Loss on disposal of property and equipment	-	-	-	-	(24,011)	-	-	(24,011)
	2,035,672	132,314	-	2,167,986	1,144,558	75,630	-	1,220,188
Change in net assets	1,961,030	94,953	28,710	2,084,693	1,506,609	48,192	44,208	1,599,009
Net assets, beginning of year	18,094,576	153,061	721,310	18,968,947	16,587,967	104,869	677,102	17,369,938
Net assets, end of year	\$ 20,055,606	248,014	750,020	21,053,640	18,094,576	153,061	721,310	18,968,947

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 2,084,693	1,599,009
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	500,569	483,244
Net loss on disposal of property and equipment	-	24,011
Bad debt expense	21,073	19,838
Realized and unrealized gain on investments	(1,494,241)	(754,613)
Contributions restricted for investment in endowments	(28,710)	(44,208)
Decrease (increase) in assets:		
Accounts receivable, net of change in allowance for doubtful accounts	(48,971)	9,838
Other receivables	(16,754)	-
Inventory	42,286	25,075
Prepaid expenses and other current assets	(155,777)	(66,967)
Increase (decrease) in liabilities:		
Accounts payable	156,050	(549,743)
Wages and benefits payable	(137,386)	233,478
Accrued expenses	379,141	30,996
Deferred revenue	(139,271)	(141,531)
Credits on customer accounts	59,254	134,056
Assessments payable	105,535	185,872
	<u>1,327,491</u>	<u>1,188,355</u>
Cash provided by (applied to) investing activities:		
Purchases of property and equipment	(1,279,099)	(287,818)
Purchase of investments	(5,613,423)	(4,989,555)
Proceeds from sale and maturities of investments	5,983,190	3,865,899
	<u>(909,332)</u>	<u>(1,411,474)</u>
Cash provided by financing activities -		
Collections of contributions restricted for investment in endowments	<u>28,710</u>	<u>44,208</u>
Net increase (decrease) in cash and cash equivalents	446,869	(178,911)
Cash and cash equivalents, beginning of year	<u>684,750</u>	<u>863,661</u>
Cash and cash equivalents, end of year	\$ <u><u>1,131,619</u></u>	<u><u>684,750</u></u>
Noncash investing and financing transactions -		
Line of credit and bond proceeds used for purchase of property and equipment	\$ <u><u>3,837,071</u></u>	<u><u>-</u></u>
Other cash flow information -		
Income taxes paid	\$ <u><u>128,069</u></u>	<u><u>67,168</u></u>

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

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

ENA is a not-for-profit, professional association whose mission is to advocate for patient safety and excellence in emergency nursing practice. ENA, whose national headquarters is located in Des Plaines, Illinois, was founded in 1970. Paid membership is approximately 42,300.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of ENA and ENAF. In 2016, management oversight of ENAF was the responsibility of the ENAF Management Board. During 2017 this responsibility changed to the ENAF Board of Trustees. The sole voting member of ENAF is the ENA. Since ENA has control of the ENAF Board of Trustees, accounting principles generally accepted in the United States of America require that the financial position and activities of both organizations be consolidated. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable consists of amounts due from Trauma Nursing Core Courses (TNCC), Emergency Nursing Pediatric Courses (ENPC), the sale of advertising space in various ENA publications and royalty arrangements with vendors for ENA educational offerings. Management reviews the aging of the course receivables to determine the level of allowance for doubtful accounts to establish against the course receivables.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory

Inventory is stated at the lower of cost or net realizable value, determined by the first-in, first-out (FIFO) method. As of December 31, 2017 and 2016, there was no allowance for obsolete and excess inventory recorded.

Investments

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

Property and Equipment

Property and equipment is stated at cost and is depreciated and amortized over the estimated useful lives of the related assets using the straight-line method. Purchases greater than \$2,500 are capitalized to property and equipment. Costs of repairs and maintenance are charged to expense as incurred.

Credits on Customer Accounts

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

Assessments Payable

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

Deferred Revenue

Deferred revenue includes that portion of ENA membership dues that have not been earned as of the report date. ENA offers membership categories of one year, three years, five years and lifetime.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Revenue, Continued

Membership dues revenue is recognized on a prorated monthly basis over the term of the membership. The lifetime membership is recognized over a 13 year period.

Deferred revenue also includes ENA conference fees collected in the year prior to the conference and ENA course fees collected in the year prior to the course. Course revenue is recognized in the period in which the course is given, publication revenue is recognized in the period(s) published and marketplace revenue is recognized when goods are shipped.

Classification of Net Assets

Net assets of the Organization are classified as unrestricted, temporarily restricted or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Board Designated Net Assets

Board designated net assets are unrestricted net assets designated by their Board. These designations are based on Board actions, which can be altered or revoked at a future time by the Board. Currently the ENA Board has designated funds for ENAF endowments as well as to fund projects that fall within the criteria of the ENA spending policy. The ENAF Board of Trustees has also designated funds for the ENAF endowments.

Concentration of Credit Risk

The Organization maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Organization's uninsured cash balance was \$636,978 and \$0 at December 31, 2017 and 2016, respectively. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization maintains its investments in broker accounts which, at times, may exceed federally insured limits. As of December 31, 2017 and 2016, the Organization's uninsured investment balance was \$20,857,207 and \$19,806,851, respectively.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions not collected at the end of the year are disclosed as pledges receivable and are recorded at their estimated fair values. They are subsequently valued at the present value of future cash flows. All contributions are expected to be collected in one year or less.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statement of activities and changes in net assets as net assets released from restrictions.

Accounting 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, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

ENA and ENAF are exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). ENA pays unrelated business income tax on advertising revenues derived from various ENA publications, as well as sponsorship revenues that provide marketing opportunities for the sponsor. Unrelated business income tax for the years ended December 31, 2017 and 2016 amounted to \$75,731 and \$97,357, respectively. Unrelated business income tax expense is included in programs, grants and scholarship expense on the consolidated statement of activities and changes in net assets.

Management has concluded that as of December 31, 2017 and 2016, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Organization would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Organization is no longer subject to examination by federal, state or local tax authorities for periods before 2014.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Expenses

The costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Going Concern Evaluation

In accordance with Accounting Standards Board (ASU) No. 2014-15 management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern. Management's assessment did not identify any conditions or events raising substantial doubt about the Organization's ability to continue as a going concern for the period from July 26, 2018 to July 26, 2019.

Adoption of Accounting Standard – Inventory

In July 2015, the Financial Accounting Standards Board (FASB) issued ASU No. 2015-11 - Inventory. ASU No. 2015-11 simplifies the measurement of inventory by requiring inventory to be measured at the lower of cost or net realizable value. ASU No. 2015-11 is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. ASU No. 2015-11 was adopted by the Organization for the year beginning January 1, 2017 and did not have a material impact on the Organization's consolidated financial statements or consolidated financial statement disclosures.

New Accounting Standard – Revenue from Contracts

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, Revenue Recognition. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted for annual reporting periods beginning after December 15, 2016. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2014-09 and the effect that ASU No. 2014-09 is expected to have on its financial position, results of operations, cash flows and related disclosures.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2016-02 and the effect that ASU No. 2016-02 is expected to have on its financial position, results of operations, cash flows and related disclosures.

New Accounting Standard – Presentation of Financial Statements

In August 2016, the FASB issued ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). ASU No. 2016-14 is intended to simplify how the Organization classifies its net assets, and also improve the information it presents in the financial statements and notes about liquidity, financial performance and cash flows. ASU No. 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods with fiscal years beginning after December 15, 2018. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2016-14 and the effect that ASU No. 2016-14 is expected to have on its financial position, results of operations and cash flows and related disclosures.

Subsequent Events

Subsequent events have been evaluated through July 26, 2018, the date that the consolidated financial statements were available for issue.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 3 - PROPERTY AND EQUIPMENT

The useful lives for purposes of computing depreciation and amortization are as follows:

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

Property and equipment is summarized as follows as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 2,022,112	530,000
Buildings	6,088,900	3,140,201
Building improvements	528,280	358,627
Equipment	490,860	490,860
Program development	503,435	510,880
Furniture and fixtures	281,578	281,578
Computer software	<u>4,572,099</u>	<u>4,058,948</u>
	14,487,264	9,371,094
Less accumulated depreciation and amortization	(<u>6,401,972</u>)	(<u>5,901,403</u>)
	\$ <u><u>8,085,292</u></u>	<u><u>3,469,691</u></u>

Depreciation expense of property and equipment charged to operations was \$429,785 and \$416,584 for the years ended December 31, 2017 and 2016, respectively. In addition, the Organization amortizes development costs (included in programs, grants and scholarship expenses) for the years ended December 31, 2017 and 2016 in the amounts of \$70,784 and \$66,660, respectively.

NOTE 4 - INVESTMENTS

Investment income for the years ended December 31 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Interest and dividends, net of expenses	\$ 531,115	489,586
Unrealized and realized gains	<u>1,494,241</u>	<u>754,613</u>
	\$ <u><u>2,025,356</u></u>	<u><u>1,244,199</u></u>

Investment fees for 2017 and 2016 were \$25,000 and are included in investment income on the consolidated statements of activities and changes in net assets.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting standards require certain assets be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2017 and 2016 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access. Level 1 investments consist of mutual funds which are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

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

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

NOTE 5 - FAIR VALUE MEASUREMENTS, CONTINUED

Investments reported at fair value consisted of the following at December 31, 2017:

	Assets at Fair Value at December 31, 2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Fixed income:				
Broad domestic	\$ 5,402,586	-	-	5,402,586
International bonds	61,757	-	-	61,757
High yield bonds	3,911,468	-	-	3,911,468
Short-term bonds	2,605,400	-	-	2,605,400
Equity:				
Domestic large cap	4,623,889	-	-	4,623,889
Domestic small/mid cap	1,060,641	-	-	1,060,641
International equity	1,513,190	-	-	1,513,190
Market neutral	792,858	-	-	792,858
Emerging markets	1,454,694	-	-	1,454,694
Real estate funds	146,268	-	-	146,268
Commodities	<u>165,777</u>	<u>-</u>	<u>-</u>	<u>165,777</u>
	<u>\$ 21,738,528</u>	<u>-</u>	<u>-</u>	<u>21,738,528</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 5 - FAIR VALUE MEASUREMENTS, CONTINUED

Investments reported at fair value consisted of the following at December 31, 2016:

	Assets at Fair Value at December 31, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Fixed income:				
Broad domestic	\$ 3,782,612	-	-	3,782,612
International bonds	374,928	-	-	374,928
High yield bonds	2,387,771	-	-	2,387,771
Short-term bonds	4,791,005	-	-	4,791,005
Equity:				
Domestic large cap	3,052,178	-	-	3,052,178
Domestic small/mid cap	1,408,308	-	-	1,408,308
International equity	1,295,847	-	-	1,295,847
Market neutral	802,160	-	-	802,160
Emerging markets	1,213,202	-	-	1,213,202
Real estate funds	738,555	-	-	738,555
Commodities	<u>767,488</u>	<u>-</u>	<u>-</u>	<u>767,488</u>
	<u>\$ 20,614,054</u>	<u>-</u>	<u>-</u>	<u>20,614,054</u>

For the years ended December 31, 2017 and 2016, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

NOTE 6 - LINE OF CREDIT

In October 2017, the Organization obtained a line of credit of \$6,000,000, bearing interest at 1% plus 30 day LIBOR (0.0156 at December 2017). The line of credit matures October 11, 2018. The line of credit did not have an outstanding balance at December 31, 2017.

See Note 7 for restrictive covenants required as of December 31, 2017.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 7 - BOND PAYABLE

On December 21, 2017, Series 2017 Industrial Revenue Bond was issued by the City of Watseka. The aggregate principal amount of the bond is \$10,000,000, of which \$3,960,265 was remitted to the Organization as of December 31, 2017. Of these proceeds, \$3,834,408 was used to pay off the outstanding balance on the line of credit in December 2017 which was used to purchase the new property. During February 2018, the remaining balance of \$5,916,541 was remitted to the Organization. The proceeds of the bond were used to finance the purchase of the land and building in Schaumburg, IL. The maturity date of the bond is December 21, 2047.

The bond bears interest at variable rates throughout the life of the bond. As of December 31, 2017, the interest rate on the bond is 1.95%. Principal payments on the bond are not due until January 2019.

The bond agreement requires the Organization to furnish audited financial statements 270 days after each year end.

There was debt issuance costs of \$123,194 relating to the bond issuance in December 2017. There was no amortization expense for the year ended December 31, 2017.

The bond payable as of December 31, 2017 consisted of the following:

	<u>2017</u>		
	<u>PRINCIPAL</u>	<u>DEBT ISSUE COSTS</u>	<u>NET</u>
Bond	\$ <u>3,960,265</u>	<u>(123,194)</u>	<u>3,837,071</u>

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

2018	\$ -
2019	344,832
2020	344,832
2021	344,832
2022	344,832
Thereafter	8,497,478

Restrictive covenants imposed under the line of credit require the Organization to maintain an unrestricted cash and investment to total fund debt of not less than 1.25 (ENA only). As of December 31, 2017, this covenant was met.

Subsequent to year end, the Organization entered into a \$10,000,000 interest rate swap with a bank. The swap has a termination date of December 2027 and has a fixed rate of interest of 3.61%.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 8 - OPERATING LEASES

The Organization is obligated under certain operating leases, primarily for certain office space and office equipment which expire on various dates until 2022.

Total rent expense under all operating leases amounted to \$99,576 and \$84,120 for the years ended December 31, 2017 and 2016, respectively.

The aggregate future minimum lease commitment on these leases as of December 31, 2017 is as follows:

2018	\$	95,179
2019		94,330
2020		97,887
2021		101,658
2022		<u>90,417</u>
	\$	<u>479,471</u>

NOTE 9 - RETIREMENT SAVINGS PLAN

ENA has a 401(k) defined contribution retirement savings plan (Plan) available to substantially all of the Organization's employees. ENA matches up to 4% of each employee's contribution to the Plan. The Plan also has a profit-sharing component. ENA's profit-sharing contribution is set each year as part of the budget process. In 2017 and 2016, ENA's profit-sharing contribution was 5% of each qualified employee's salary. ENA's contribution is funded on a current basis. Total contributions to the Plan in 2017 and 2016 were \$483,197 and \$594,290, respectively.

NOTE 10 - COMMITMENTS

The Organization has entered into a number of contracts with various vendors for space, hotel accommodations and ancillary services for future meetings. Minimum estimated cancellation fees are as follows:

2018	\$	843,143
2019		355,058
2020		1,692,000
2021		-
2022		-
Thereafter		<u>1,020,000</u>
	\$	<u>3,910,201</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 11 - ENDOWMENTS

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

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift 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. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purpose of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 11 - ENDOWMENTS, CONTINUED

Endowment net asset composition by type of fund as of December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated funds endowment	\$ 1,805,757	-	-	1,805,757
Donor-restricted funds endowment	<u>-</u>	<u>248,014</u>	<u>750,020</u>	<u>998,034</u>
Total funds	\$ <u>1,805,757</u>	<u>248,014</u>	<u>750,020</u>	<u>2,803,791</u>

Changes in endowment net assets for the fiscal year ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>1,142,840</u>	<u>153,061</u>	<u>721,310</u>	<u>2,017,211</u>
Investment income:				
Interest and dividends	45,585	25,830	-	71,415
Net appreciation (realized and unrealized)	<u>172,971</u>	<u>106,484</u>	<u>-</u>	<u>279,455</u>
Total investment income	<u>218,556</u>	<u>132,314</u>	<u>-</u>	<u>350,870</u>
Contributions	<u>500,000</u>	<u>-</u>	<u>28,710</u>	<u>528,710</u>
Appropriation of endowment assets for expenditure	<u>(55,639)</u>	<u>(37,361)</u>	<u>-</u>	<u>(93,000)</u>
Endowment net assets, end of year	\$ <u>1,805,757</u>	<u>248,014</u>	<u>750,020</u>	<u>2,803,791</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 11 - ENDOWMENTS, CONTINUED

Endowment net asset composition by type of fund as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated funds endowment	\$ 1,142,840	-	-	1,142,840
Donor-restricted funds endowment	<u>-</u>	<u>153,061</u>	<u>721,310</u>	<u>874,371</u>
Total funds	\$ <u>1,142,840</u>	<u>153,061</u>	<u>721,310</u>	<u>2,017,211</u>

Changes in endowment net assets for the fiscal year ended December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>1,068,498</u>	<u>104,869</u>	<u>677,102</u>	<u>1,850,469</u>
Investment income:				
Interest and dividends	31,537	24,537	-	56,074
Net appreciation (realized and unrealized)	<u>66,086</u>	<u>51,093</u>	-	<u>117,179</u>
Total investment income	<u>97,623</u>	<u>75,630</u>	-	<u>173,253</u>
Contributions	<u>25,000</u>	-	<u>44,208</u>	<u>69,208</u>
Obligation to replenish corpus	<u>719</u>	<u>(719)</u>	-	-
Appropriation of endowment assets for expenditure	<u>(49,000)</u>	<u>(26,719)</u>	-	<u>(75,719)</u>
Endowment net assets, end of year	\$ <u>1,142,840</u>	<u>153,061</u>	<u>721,310</u>	<u>2,017,211</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 11 - ENDOWMENTS, CONTINUED

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the historic dollar value at date of gift. In accordance with accounting standards generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets which was \$719 at December 31, 2015. These deficiencies resulted from unfavorable market fluctuations. During 2016, market conditions were favorable allowing the \$719 deficiency from 2015 to be restored.

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 or for a donor specified periods. The long-term investment objective for the endowment funds is to generate sufficient income to support its programs while preserving the related principal.

To satisfy its long-term rate-of-return objectives, ENAF relies on a diversified asset allocation strategy that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

ENAF's policy allows for the distribution of up to 5% of the endowment's fair value.

NOTE 12 - RESTRICTION ON NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Purpose restrictions:		
Karen O'Neil Endowed Scholarship Fund	\$ 27,793	17,660
New York State September 11 Endowment Fund	36,893	23,654
Judith C. Kelleher Memorial Endowment Fund	31,635	21,919
Anita Dorr Memorial Endowment Fund	257	98
Jeanette Ash Endowed Scholarship Fund	5,465	1,627
Richard Wynkoop Scholarship Fund	1,959	371
Elizabeth B. Moore Memorial Fund for Scholarships	23,488	12,286
Texas Endowed Scholarship Fund	5,757	1,842
General Endowment Fund	<u>114,767</u>	<u>73,604</u>
Total temporarily restricted net assets	\$ <u>248,014</u>	<u>153,061</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

NOTE 12 - RESTRICTION ON NET ASSETS, CONTINUED

Permanently restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Karen O'Neil Endowed Scholarship Fund	\$ 72,439	66,439
New York State September 11 Endowment Fund	91,759	90,104
Judith C. Kelleher Memorial Endowment Fund	72,355	65,045
Anita Dorr Memorial Endowment Fund	1,452	1,102
Jeanette Ash Endowed Scholarship Fund	33,425	29,365
Richard Wynkoop Scholarship Fund	16,217	6,947
Elizabeth B. Moore Memorial Fund for Scholarships	100,000	100,000
Texas Endowed Scholarship Fund	25,005	25,000
General Endowment Fund	<u>337,368</u>	<u>337,308</u>
Total permanently restricted net assets	\$ <u>750,020</u>	<u>721,310</u>

NOTE 13 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions during the years ended December 31, 2017 and 2016, because donor restrictions were met by satisfying the stated purpose or time or other event are as follows:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 248,426	236,996
Research	<u>1,536</u>	<u>8,000</u>
Total net assets released from restrictions	\$ <u>249,962</u>	<u>244,996</u>

S U P P L E M E N T A R Y I N F O R M A T I O N



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

Finance Committee
Emergency Nurses Association
ENA Foundation Board of Trustees
Des Plaines, Illinois

Our report on our audits of the consolidated financial statements of Emergency Nurses Association and Affiliate for the years ended December 31, 2017 and 2016 appears on pages 1 and 2. Those audits were made for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The 2017 and 2016 information on pages 24 through 29 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 related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements for the years ended December 31, 2017 and 2016 taken as a whole.

Mueller & Co., LLP

Elgin, Illinois
July 26, 2018

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 1,013,603	569,167
Receivables:		
Accounts receivable, net of allowance for doubtful accounts of \$177,101 and \$156,028 for 2017 and 2016, respectively	1,538,539	1,510,641
Other receivables	16,754	-
Due from affiliate - ENA Foundation	16,813	-
Inventory	61,301	103,587
Prepaid expenses and other current assets	373,031	223,605
Total current assets	3,020,041	2,407,000
Property and equipment, net	8,074,192	3,469,691
Investments	18,479,785	17,830,154
Total assets	\$ 29,574,018	23,706,845

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 368,189	210,312
Wages and benefits payable	757,824	895,210
Accrued expenses	656,497	277,356
Due to affiliate - ENA Foundation	-	7,320
Current portion of deferred revenue	3,088,599	3,091,840
Credits on customer accounts	899,963	840,559
Assessments payable	1,602,037	1,496,502
Total current liabilities	7,373,109	6,819,099
Long-term liabilities:		
Deferred revenue, net of current portion	682,759	818,789
Bond payable	3,837,071	-
Total long-term liabilities	4,519,830	818,789
Total liabilities	11,892,939	7,637,888
Net assets -		
Unrestricted:		
Undesignated	17,352,689	15,601,279
Board designated	328,390	467,678
Total unrestricted	17,681,079	16,068,957
Total liabilities and net assets	\$ 29,574,018	23,706,845

See Independent Auditors' Report on Supplementary Information.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue, gains and other support:		
Courses	\$ 11,802,333	11,557,442
Membership dues	4,077,436	3,934,513
Conferences	2,652,563	2,959,573
Publications	833,903	786,312
Marketplace	400,675	342,000
Sponsorships	365,415	370,020
Royalties	312,712	327,666
Other	236,093	181,613
Grants	66,847	15,650
Mailing lists	27,927	29,605
Donated services	145,000	101,600
	<u>20,920,904</u>	<u>20,605,994</u>
Total revenue, gains and other support		
Expenses:		
Program services	14,295,553	13,548,062
Support services, management and general	5,477,997	5,599,144
Fundraising and development	1,280,863	1,147,773
	<u>21,054,413</u>	<u>20,294,979</u>
Total expenses		
Increase (decrease) in net assets - before other income	(133,509)	311,015
Other income (expense):		
Interest expense	(17,225)	-
Rental income	159,855	-
Investment income	1,603,001	1,013,113
Loss on disposal of property and equipment	-	(24,011)
	<u>1,745,631</u>	<u>989,102</u>
Change in net assets	1,612,122	1,300,117
Net assets, beginning of year	<u>16,068,957</u>	<u>14,768,840</u>
Net assets, end of year	<u>\$ 17,681,079</u>	<u>16,068,957</u>

See Independent Auditors' Report on Supplementary Information.

EMERGENCY NURSES ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 1,612,122	1,300,117
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	500,569	479,877
Net loss on disposal of property and equipment	-	24,011
Bad debt expense	21,073	19,838
Realized and unrealized gain on investments	(1,155,068)	(597,081)
Decrease (increase) in assets:		
Accounts receivable, net of change in allowance	(48,971)	9,838
Other receivables	(16,754)	-
Inventory	42,286	25,075
Prepaid expenses and other assets	(149,426)	(70,267)
Increase (decrease) in liabilities:		
Accounts payable	157,877	(547,253)
Wages and benefits payable	(137,386)	233,478
Accrued expenses	379,141	31,035
Due (to) from affiliate - ENA Foundation	(24,133)	10,043
Deferred revenue	(139,271)	(141,531)
Credits on customer accounts	59,404	134,403
Assessments payable	105,535	185,872
	<u>1,206,998</u>	<u>1,097,455</u>
Cash provided by (applied to) investing activities:		
Purchases of property and equipment	(1,267,999)	(287,818)
Purchases of investments	(5,374,380)	(4,643,386)
Proceeds from sale and maturities of investments	5,879,817	3,815,947
	<u>(762,562)</u>	<u>(1,115,257)</u>
Net increase (decrease) in cash and cash equivalents	444,436	(17,802)
Cash and cash equivalents, beginning of year	<u>569,167</u>	<u>586,969</u>
Cash and cash equivalents, end of year	<u>\$ 1,013,603</u>	<u>569,167</u>
Noncash investing and financing transactions -		
Line of credit and bond proceeds used for purchase of property and equipment	<u>\$ 3,837,071</u>	<u>-</u>
Other cash flow information -		
Income taxes paid	<u>\$ 128,069</u>	<u>67,168</u>

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 118,016	115,583
Due from affiliate - ENA	-	7,320
Prepaid expenses and other current assets	<u>6,351</u>	<u>-</u>
Total current assets	<u>124,367</u>	<u>122,903</u>
Property and equipment, net	11,100	-
Investments	<u>3,258,743</u>	<u>2,783,900</u>
Total assets	<u>\$ 3,394,210</u>	<u>2,906,803</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 4,836	6,663
Due to affiliate - ENA	16,813	-
Credits on customer accounts	<u>-</u>	<u>150</u>
Total current liabilities	<u>21,649</u>	<u>6,813</u>
Net assets:		
Unrestricted:		
Undesignated	568,770	882,779
Board designated	<u>1,805,757</u>	<u>1,142,840</u>
Total unrestricted	<u>2,374,527</u>	<u>2,025,619</u>
Temporarily restricted	248,014	153,061
Permanently restricted	<u>750,020</u>	<u>721,310</u>
Total net assets	<u>3,372,561</u>	<u>2,899,990</u>
Total liabilities and net assets	<u>\$ 3,394,210</u>	<u>2,906,803</u>

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Support, revenues and other additions -								
Support:								
Contributions	\$ 493,361	212,601	28,710	734,672	458,941	217,558	44,208	720,707
Special events revenue - net of direct expenses of \$27,613 and \$61,387 for the years 2017 and 2016, respectively	55,711	-	-	55,711	2,081	-	-	2,081
Net assets released from restrictions	249,962	(249,962)	-	-	244,996	(244,996)	-	-
Total revenue, gains and other support	799,034	(37,361)	28,710	790,383	706,018	(27,438)	44,208	722,788
Expenses:								
Programs, grants and scholarships	367,700	-	-	367,700	307,627	-	-	307,627
General, administrative and support services	228,476	-	-	228,476	226,514	-	-	226,514
Fundraising and development	143,991	-	-	143,991	120,841	-	-	120,841
Total expenses	740,167	-	-	740,167	654,982	-	-	654,982
Increase (decrease) in net assets - before other income	58,867	(37,361)	28,710	50,216	51,036	(27,438)	44,208	67,806
Other income -								
Investment income	290,041	132,314	-	422,355	155,456	75,630	-	231,086
Change in net assets	348,908	94,953	28,710	472,571	206,492	48,192	44,208	298,892
Net assets, beginning of year	2,025,619	153,061	721,310	2,899,990	1,819,127	104,869	677,102	2,601,098
Net assets, end of year	\$ 2,374,527	248,014	750,020	3,372,561	2,025,619	153,061	721,310	2,899,990

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 472,571	298,892
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	3,367
Realized and unrealized gain on investments	(339,173)	(157,532)
Contributions restricted for investment in endowment	(28,710)	(44,208)
Decrease (increase) in assets:		
Due (to) from affiliate - ENA	24,133	(10,043)
Prepaid expenses and other assets	(6,351)	3,300
Increase (decrease) in liabilities:		
Accounts payable	(1,827)	(2,490)
Accrued expenses	-	(39)
Credits on customer accounts	(150)	(347)
	<u>120,493</u>	<u>90,900</u>
Cash provided by (applied to) investing activities:		
Purchases of property and equipment	(11,100)	-
Purchases of investments	(239,043)	(346,169)
Proceeds from sale and maturities of investments	103,373	49,952
	<u>(146,770)</u>	<u>(296,217)</u>
Cash provided by financing activities -		
Collections of contributions restricted for investment in endowment	28,710	44,208
Net increase (decrease) in cash and cash equivalents	2,433	(161,109)
Cash and cash equivalents, beginning of year	115,583	276,692
Cash and cash equivalents, end of year	<u>\$ 118,016</u>	<u>115,583</u>

See Independent Auditors' Report on Supplementary Information.