



**AMERICAN NURSES ASSOCIATION, INC.  
AND AFFILIATES**

**Consolidated Financial Statements and  
Supplementary Information**

*For the Years Ended December 31, 2021 and 2020*



**and  
Report Thereon**



**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

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**For the Years Ended December 31, 2021 and 2020**

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**INDEPENDENT AUDITORS' REPORT**

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

***Opinion***

We have audited the consolidated financial statements of the American Nurses Association, Inc. (the Association) and its Affiliates, the American Nurses Foundation, Inc. (the Foundation), the American Nurses Credentialing Center (ANCC), the American Academy of Nursing (the Academy), the American Nurses Association – Political Action Committee (the PAC), the American Nurses Association – Service Corp (the Service Corp) and the Institute for Nursing Research and Education (INRE) (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021 and 2020, and the consolidated 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.

We did not audit the financial statements of the American Academy of Nursing, a controlled affiliate, which statements reflect total assets of \$8,289,474 and \$7,765,665 as of December 31, 2021 and 2020, respectively, and total revenue and support of \$3,630,161 and \$3,828,315, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for American Academy of Nursing, is based solely on the reports of the other auditors.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, which insofar as it relates to the American Academy of Nursing, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Marcum LLP*

Washington, DC  
September 26, 2022

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

*(in Thousands)*

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,575	\$ 6,629
Accounts receivable, net	3,454	3,586
Grants and contributions receivable, net	11,202	1,922
Inventory	397	295
Prepaid expenses and other assets	2,177	2,594
Investments	116,988	91,101
Investment in LLC	1,000	1,000
Property and equipment, net	<u>5,450</u>	<u>6,149</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 148,243</u></b>	<b><u>\$ 113,276</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Dues collected on behalf of Constituent/State Nurses Association	\$ 932	\$ 964
Accounts payable and accrued expenses	4,494	2,878
Accrued salary, vacation, pension obligation and related expenses	9,215	15,150
Grants payable	391	38
Contract liabilities	7,380	10,356
Refundable advances	183	169
Deferred rent and lease incentive	<u>2,229</u>	<u>2,326</u>
<b>TOTAL LIABILITIES</b>	<b><u>24,824</u></b>	<b><u>31,881</u></b>
<b>Net Assets</b>		
<b>Without donor restrictions</b>		
Undesignated	43,977	18,156
Designated	<u>47,184</u>	<u>47,480</u>
<b>Total Net Assets Without Donor Restrictions</b>	<b><u>91,161</u></b>	<b><u>65,636</u></b>
<b>With donor restrictions</b>	<b><u>32,258</u></b>	<b><u>15,759</u></b>
<b>TOTAL NET ASSETS</b>	<b><u>123,419</u></b>	<b><u>81,395</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 148,243</u></b>	<b><u>\$ 113,276</u></b>

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2021 and 2020

(in Thousands)

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Credentialing services and programs	\$ 43,187	\$ -	\$ 43,187	\$ 39,664	\$ -	\$ 39,664
Contributions, grants and contracts	3,233	21,452	24,685	3,993	15,554	19,547
Membership dues	21,186	-	21,186	21,041	-	21,041
Conference fees	13,750	-	13,750	4,719	-	4,719
Products and services	5,289	-	5,289	5,052	-	5,052
Publication sales	2,868	-	2,868	2,196	-	2,196
Rental income	445	-	445	429	-	429
Other income	342	-	342	309	-	309
Net assets released from restrictions:						
Satisfaction of program and time restrictions	5,161	(5,161)	-	6,198	(6,198)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>95,461</b>	<b>16,291</b>	<b>111,752</b>	<b>83,601</b>	<b>9,356</b>	<b>92,957</b>
<b>EXPENSES</b>						
Program Services:						
Certification	16,986	-	16,986	15,920	-	15,920
Recognition programs	12,462	-	12,462	14,328	-	14,328
Products and conferences	13,975	-	13,975	5,753	-	5,753
Member services and programs	9,028	-	9,028	8,082	-	8,082
Programs and special initiatives	8,129	-	8,129	8,162	-	8,162
Accreditation	2,584	-	2,584	2,538	-	2,538
Grant award programs	4,567	-	4,567	7,470	-	7,470
Services and programs	775	-	775	645	-	645
Contributions to Political Candidates	198	-	198	165	-	165
<b>Total Program Services</b>	<b>68,704</b>	<b>-</b>	<b>68,704</b>	<b>63,063</b>	<b>-</b>	<b>63,063</b>
Supporting Services:						
Governance and general administration	11,582	-	11,582	18,932	-	18,932
Fundraising	580	-	580	529	-	529
<b>Total Supporting Services</b>	<b>12,162</b>	<b>-</b>	<b>12,162</b>	<b>19,461</b>	<b>-</b>	<b>19,461</b>
<b>TOTAL EXPENSES</b>	<b>80,866</b>	<b>-</b>	<b>80,866</b>	<b>82,524</b>	<b>-</b>	<b>82,524</b>
Change in Net Assets From Operations	14,595	16,291	30,886	1,077	9,356	10,433
<b>NONOPERATING ITEMS</b>						
Investment return	10,720	208	10,928	7,669	44	7,713
Investment income from LLC	210	-	210	210	-	210
<b>TOTAL NONOPERATING ITEMS</b>	<b>10,930</b>	<b>208</b>	<b>11,138</b>	<b>7,879</b>	<b>44</b>	<b>7,923</b>
<b>CHANGE IN NET ASSETS</b>	<b>25,525</b>	<b>16,499</b>	<b>42,024</b>	<b>8,956</b>	<b>9,400</b>	<b>18,356</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>65,636</b>	<b>15,759</b>	<b>81,395</b>	<b>56,680</b>	<b>6,359</b>	<b>63,039</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 91,161</b>	<b>\$ 32,258</b>	<b>\$ 123,419</b>	<b>\$ 65,636</b>	<b>\$ 15,759</b>	<b>\$ 81,395</b>

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

(in Thousands)  
(continued)

	Program Services									Supporting Services				
	Certification	Recognition Programs	Products and Conferences	Member Services and Programs	Programs and Special Initiatives	Accreditation	Grant Award Programs	Services and Programs	Contributions to Political Candidates	Total Program Services	Governance and General Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries and fringe benefits	\$ 8,365	\$ 6,239	\$ 4,661	\$ 2,536	\$ 4,638	\$ 1,587	\$ 1,453	\$ 85	\$ -	\$ 29,564	\$ 5,806	\$ 455	\$ 6,261	\$ 35,825
Professional fees	3,367	3,524	3,356	2,432	1,285	387	1,742	15	-	16,108	1,778	53	1,831	17,939
Facilities, equipment, software and insurance	1,880	1,168	920	423	809	266	129	-	-	5,595	1,616	14	1,630	7,225
Printing and advertising	446	328	613	1,710	216	67	117	8	-	3,505	684	3	687	4,192
Meeting expenses	35	66	2,458	17	140	5	9	-	-	2,730	67	-	67	2,797
Depreciation and amortization	562	412	349	112	94	86	33	-	-	1,648	865	2	867	2,515
Grant awards	16	62	11	3	492	2	889	641	-	2,116	38	1	39	2,155
Interest expense, bank and credit card fees	1,028	38	322	163	13	6	3	-	-	1,573	52	22	74	1,647
Data and voice services, and office supplies	226	107	55	656	53	35	9	-	-	1,141	207	4	211	1,352
Postage and fulfillment	334	15	153	729	4	3	2	-	-	1,240	18	2	20	1,260
Travel	51	145	811	12	42	29	2	14	-	1,106	42	9	51	1,157
Dues, subscription, and registration fees	181	136	90	63	215	28	31	11	-	755	224	15	239	994
Temporary help	374	53	73	56	11	11	116	-	-	694	111	-	111	805
Other expenses	121	169	103	106	117	72	32	1	-	721	74	-	74	795
Contributions	-	-	-	10	-	-	-	-	198	208	-	-	-	208
<b>TOTAL EXPENSES</b>	<b>\$ 16,986</b>	<b>\$ 12,462</b>	<b>\$ 13,975</b>	<b>\$ 9,028</b>	<b>\$ 8,129</b>	<b>\$ 2,584</b>	<b>\$ 4,567</b>	<b>\$ 775</b>	<b>\$ 198</b>	<b>\$ 68,704</b>	<b>\$ 11,582</b>	<b>\$ 580</b>	<b>\$ 12,162</b>	<b>\$ 80,866</b>

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



AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

(in Thousands)

	Program Services									Supporting Services			Total Expenses	
	Certification	Recognition Programs	Products and Conferences	Member Services and Programs	Programs and Special Initiatives	Accreditation	Grant Award Programs	Services and Programs	Contributions to Political Candidates	Total Program Services	Governance and General Administration	Fundraising		Total Supporting Services
Salaries and fringe benefits	\$ 8,362	\$ 7,306	\$ 2,567	\$ 2,370	\$ 5,493	\$ 1,627	\$ 983	\$ 132	\$ -	\$ 28,840	\$ 8,838	\$ 243	\$ 9,081	\$ 37,921
Professional fees	2,728	3,979	1,214	2,122	1,136	338	1,468	7	-	12,992	2,207	68	2,275	15,267
Facilities, equipment, software and insurance	1,387	1,246	442	260	360	221	72	-	-	3,988	3,438	11	3,449	7,437
Printing and advertising	493	462	306	1,464	279	78	41	-	-	3,123	1,188	7	1,195	4,318
Meeting expenses	1	1	515	32	75	-	11	3	-	638	11	-	11	649
Depreciation and amortization	789	710	239	136	155	126	34	-	-	2,189	1,935	5	1,940	4,129
Grant awards	13	63	4	2	181	2	4,381	498	-	5,144	31	36	67	5,211
Interest expense, bank and credit card fees	914	48	191	101	7	7	5	-	-	1,273	200	1	201	1,474
Data and voice services, and office supplies	214	130	56	637	79	27	55	-	-	1,198	337	4	341	1,539
Postage and fulfillment	242	48	58	754	11	9	4	-	-	1,126	113	-	113	1,239
Travel	73	33	65	9	73	48	95	-	-	396	72	1	73	469
Dues, subscription, and registration fees	132	90	32	56	172	21	13	2	-	518	243	10	253	771
Temporary help	483	61	20	22	80	11	157	-	-	834	166	122	288	1,122
Other expenses	89	151	44	67	61	23	149	-	-	584	153	21	174	758
Contributions	-	-	-	50	-	-	2	3	165	220	-	-	-	220
<b>TOTAL EXPENSES</b>	<b>\$ 15,920</b>	<b>\$ 14,328</b>	<b>\$ 5,753</b>	<b>\$ 8,082</b>	<b>\$ 8,162</b>	<b>\$ 2,538</b>	<b>\$ 7,470</b>	<b>\$ 645</b>	<b>\$ 165</b>	<b>\$ 63,063</b>	<b>\$ 18,932</b>	<b>\$ 529</b>	<b>\$ 19,461</b>	<b>\$ 82,524</b>

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

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2021 and 2020

(in Thousands)

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 42,024	\$ 18,356
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense recognized through change in allowance	(446)	(96)
Net realized and unrealized gains on investments	(9,129)	(6,473)
Depreciation and amortization	2,515	4,129
Loss on disposal of property and equipment	78	-
Contributions restricted for long-term use	(2,514)	(48)
Changes in assets and liabilities:		
Accounts receivable	578	(21)
Grants and contributions receivable	(9,280)	(481)
Inventory	(102)	(72)
Prepaid expenses and other assets	417	(117)
Dues collected on behalf of Constituent/State Nurses Association	(32)	109
Accounts payable and accrued expenses	1,394	(683)
Grants payable	353	(6)
Accrued salary, vacation, pension obligation and related expenses	(5,935)	2,376
Contract liabilities	(2,976)	1,224
Refundable advances	14	(470)
Deferred rent and lease incentive	(358)	(319)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>16,601</u>	<u>17,408</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of investments	(14,166)	(26,056)
Proceeds from sale of investments	6,034	7,802
Purchase of property and equipment	(1,411)	(799)
NET CASH USED IN INVESTING ACTIVITIES	<u>(9,543)</u>	<u>(19,053)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Contributions restricted for long-term use	2,514	48
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,514</u>	<u>48</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,572	(1,597)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,943</u>	<u>9,540</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,515</u>	<u>\$ 7,943</u>
Cash and cash equivalents	\$ 7,575	\$ 6,629
Cash and cash equivalents in investments	<u>9,940</u>	<u>1,314</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,515</u>	<u>\$ 7,943</u>
SUPPLEMENTAL INFORMATION		
Noncash investing and financing activities:		
Additions to property and equipment included in accounts payable and accrued expenses	<u>\$ 222</u>	<u>\$ -</u>
Leasehold improvements paid by landlord	<u>\$ 261</u>	<u>\$ -</u>

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

# AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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### 1. Organization and Summary of Significant Accounting Policies

#### **Organization**

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

The Association functions as a modified federation. The Association has approximately 232,000 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 36% and 37 % of membership dues revenue received in 2021 and 2020 came from the five largest C/SNAs, respectively.

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

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

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

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

The American Nurses Association – Service Corp (the Service Corp) was established in 2005 as the for-profit subsidiary of the Association. The Service Corp was inactive during the years ended December 31, 2021 and 2020, and has no carrying equity balance.

The Institute for Nursing Research and Education (INRE) was established in 2008 and is a not-for-profit subsidiary of the Association. INRE was inactive during the years ended December 31, 2021 and 2020, and has no carrying net asset balance.

# AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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

#### **Principles of Consolidation**

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

#### **Basis of Accounting**

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

#### **Cash Equivalents**

The Organization considers all highly liquid instruments which have an original maturity of three months or less, to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable consists of:

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

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

Allowance for doubtful accounts is determined based on management's historical experience and assessment of the general financial conditions affecting the customer base. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. As of December 31, 2021 and 2020, the Organization believes that the allowance for doubtful accounts is adequate.

#### **Grants and Contributions Receivable**

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

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020**

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

**Inventory**

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

**Property and Equipment and Related Depreciation and Amortization**

Property and equipment exceeding \$5,000 and an estimated useful life of more than a year are capitalized at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

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

**Investments**

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

**Investment in LLC**

During 2003, 8515 Georgia Avenue Associates, LLC (the LLC) was organized. The Association, as a member of the LLC, has agreed to jointly own and develop certain real property. The Association contributed \$1,000,000 as its initial capital contribution resulting in a 7% membership interest. The investment is accounted for using the alternative measurement method which is cost minus any impairment, and adjusted for changes resulting from any observable price changes in orderly transactions for the identical or similar investment. Distributions or royalties received are recorded as income at the time of receipt. The Association received a distribution of \$210,000 for the years ended December 31, 2021 and 2020.

# AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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

#### **Fair Value Measurement**

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

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

#### *Level 1*

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

#### *Level 2*

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

#### *Level 3*

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

The Organization's assets that were measured at fair value on a recurring basis as of December 31, 2021 and 2020 are disclosed in Note 4 to the consolidated financial statements.

#### **Classification of Net Assets**

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

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

## AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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

##### **Classification of Net Assets (continued)**

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

##### **Revenue and Support Recognition**

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

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

A portion of the Organization's revenue is derived from conditional cost-reimbursable federal grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met the specified conditions. Amounts received prior to meeting the specified conditions are reported as refundable advances in the consolidated statements of financial position. Amounts recognized under the agreements but not received are included in grants and contributions receivable in the accompanying consolidated statements of financial position.

Credentialing services and programs consist of certification, accreditation and appraisal fees for Magnet and Pathway recognition programs as well as support fees. Certification and accreditation revenue is recognized at the point in time after the assessment or examination is completed, which substantially completes the Organization's performance obligation. Appraisal fees for Magnet and Pathway programs are recognized as revenue at a point in time when the applicant has completed the Magnet and Pathway recognition programs (typically up to 12 months) and the Organization has issued a decision in regards to the applicant's qualifications to be granted the Magnet or Pathway designations. The Magnet and Pathway program support fees are recognized ratably over the shorter of a 12 months period from the application date, or the period from the application date to the date of designation, as support services are available

# AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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

#### **Revenue and Support Recognition (continued)**

to applicants throughout the recognition program period. As credentialing service fees are typically paid at the time an application is submitted, contract liabilities have been recorded in the accompanying consolidated statements of financial position for any fees paid in advance of satisfying the associated performance obligations.

Membership dues are recognized ratably over the membership period since there are no distinct performance obligations and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Accordingly, dues paid by members in advance of the reporting period to which the dues pertain are reported as part of contract liabilities in the accompanying consolidated statements of financial position.

Products and services are recognized as revenue when products or services are provided to customers. Publication sales are recognized as revenue when publications are shipped to or downloaded by customers.

Conference fees are recognized at the point in time that the event occurs. Accordingly, registration and exhibit fees received in advance of the conferences are recorded as part of contract liabilities in the accompanying consolidated statements of financial position.

The Organization's contract liabilities are short-term in nature and are recognized as revenue in the following year when the performance obligations are met.

Rental income is recognized as revenue on a straight-line basis over the life of the lease.

#### **Functional Allocation of Expenses**

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

#### **Measure of Operations**

The Organization considers investment gain (loss) to be an item not included in operations.

#### **Rounding to Thousands**

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



**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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

**Estimates**

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

**Change in Accounting Principle**

The Organization elected to change to mark-to-market accounting for its defined benefit pension plan, in which the actuarial gains and losses outside the “corridor” is immediately recognized as a component of net periodic pension costs rather than amortizing them over several years. The Organization believes that the mark-to-market approach will make the Organization’s operating performance easier to understand and more transparent by providing a more current picture of pension plan performance. The change did not have an impact on the Organization’s net assets, but comparative disclosures and amortization of net actuarial loss as of and for the year ended December 31, 2020 have been adjusted to apply the new method retrospectively.

2. Accounts Receivable

Accounts receivable consisted of the following:

	<i>(In Thousands)</i>		
	December 31, 2021	December 31, 2020	January 1, 2020
	<u>          </u>	<u>          </u>	<u>          </u>
Trade	\$ 3,001	\$ 3,666	\$ 3,643
Constituent/State Nurses Association	<u>846</u>	<u>759</u>	<u>761</u>
Total Accounts Receivable	3,847	4,425	4,404
Less: Allowance for Doubtful Accounts	<u>(393)</u>	<u>(839)</u>	<u>(880)</u>
Accounts Receivable, Net	<u><u>\$ 3,454</u></u>	<u><u>\$ 3,586</u></u>	<u><u>\$ 3,524</u></u>

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

3. Grants and Contributions Receivable

Grants and contributions consisted of the following as of December 31, 2021 and 2020.

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Federal	\$ 747	\$ 881
Individuals and corporations	<u>10,515</u>	<u>1,046</u>
Gross Grants and Contributions Receivable	11,262	1,927
Less: Discount to Net Present Value at rates ranging from 0.1% to 1.75%	<u>(60)</u>	<u>(5)</u>
Grants and Contributions Receivable, Net	<u>\$ 11,202</u>	<u>\$ 1,922</u>

Grants and contributions receivable are anticipated to be collected as follows as of December 31, 2021 and 2020:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Within one year	\$ 4,872	\$ 1,852
In one to five years	<u>6,390</u>	<u>75</u>
Gross Grants and Contributions Receivable	<u>\$ 11,262</u>	<u>\$ 1,927</u>

The Organization received conditional cost-reimbursable grants from U.S. Department of Health and Human Services totaling approximately \$9,100,000, of which approximately \$9,100,000 and \$5,300,000 had been obligated for expenditure as of December 31, 2021 and 2020, respectively. As of December 31, 2021, the Organization had approximately \$3,100,000 under the obligated amounts that had yet to be recognized because the specified conditions have not yet been met.

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

4. Investments and Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of December 31, 2021, aggregated where applicable by the fair value hierarchy level with which those measurements were made:

	<i>(In Thousands)</i>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Mutual funds:				
Equities	\$ 21,372	\$ 21,372	\$ -	\$ -
Fixed income	22,257	22,257	-	-
Exchange-traded funds	39,275	39,275	-	-
Equity securities	19,990	19,990	-	-
Money market funds	<u>27</u>	<u>27</u>	<u>-</u>	<u>-</u>
Investments included in fair value hierarchy	102,921	<u>\$ 102,921</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents	9,940			
Other investments measured at net asset value <sup>(a)</sup> :				
Limited partnerships	<u>4,127</u>			
Total Investments	<u>\$ 116,988</u>			

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

4. Investments and Fair Value Measurement (continued)

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of December 31, 2020, aggregated where applicable by the fair value hierarchy level with which those measurements were made:

	<i>(In Thousands)</i>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Mutual funds:				
Equities	\$ 15,533	\$ 15,533	\$ -	\$ -
Fixed income	18,665	18,665	-	-
Exchange-traded funds	34,928	34,928	-	-
Equity securities	16,357	16,357	-	-
Money market funds	<u>23</u>	<u>23</u>	<u>-</u>	<u>-</u>
Investments included in fair value hierarchy	85,506	<u>\$ 85,506</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and cash equivalents	1,314			
Other investments measured at net asset value <sup>(a)</sup> :				
Limited partnerships	<u>4,281</u>			
Total Investments	<u>\$ 91,101</u>			

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

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

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

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

4. Investments and Fair Value Measurement (continued)

Investment earnings are reported net of related expenses of approximately \$399,000 and \$316,000 for the years ended December 31, 2021 and 2020, respectively. The following schedule summarized the investment earnings for the years ended December 31:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Investment earnings, net	\$ 1,799	\$ 1,240
Realized gains on investments	1,716	318
Unrealized gains on investments	<u>7,413</u>	<u>6,155</u>
Investment Earnings, Net	<u>\$ 10,928</u>	<u>\$ 7,713</u>

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

Investments measured at NAV by major category are as follows:

	<i>(In Thousands)</i>			
<u>2021</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Rockefeller: Balanced Fund LP	\$ 4,127	\$ -	Monthly	5 days

	<i>(In Thousands)</i>			
<u>2020</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Rockefeller: Balanced Fund LP	\$ 3,852	\$ -	Monthly	5 days
Climate Solutions LP	<u>429</u>	-	Monthly	5 days
	<u>\$ 4,281</u>			

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

5. Property and Equipment and Related Depreciation and Amortization

The Organization held the following property and equipment as of December 31, 2021 and 2020:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Software	\$ 9,926	\$ 17,661
Leasehold improvements	4,099	5,246
Furniture and fixture	1,967	2,484
Computers	1,359	2,340
Office equipment	727	1,179
Work in progress	<u>2,104</u>	<u>998</u>
Total Property and Equipment	20,182	29,908
Less: Accumulated Depreciation and Amortization	<u>(14,732)</u>	<u>(23,759)</u>
Property and Equipment, Net	<u>\$ 5,450</u>	<u>\$ 6,149</u>

Depreciation and amortization expense totaled approximately \$2,515,000 and \$4,129,000 for the years ended December 31, 2021 and 2020, respectively.

6. Contract Liabilities

Contract liabilities consisted of the following:

	<i>(In Thousands)</i>		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Membership dues	\$ 1,931	\$ 1,898	\$ 2,090
Credentialing services and programs	4,908	6,520	664
Conference and exhibit fees	22	1,782	388
Other	<u>519</u>	<u>156</u>	<u>126</u>
Total Contract Liabilities	<u>\$ 7,380</u>	<u>\$ 10,356</u>	<u>\$ 3,268</u>

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020

7. Commitments and Contingencies

**Operating Lease**

The Association leases office space for its headquarters in Silver Spring, Maryland under the terms of a noncancellable lease agreement that expires on October 31, 2024. The lease agreement contains an escalation provision that increases the annual base rent per year. Further, the lease included a tenant improvement allowance of approximately \$2,100,000.

The Association has another office lease in Washington, D.C. that expired in May 2022. In April 2022, the Association signed a new office lease with a new lessor in Washington, D.C., with lease commencement date in May 2022 and expires in June 2032.

In addition, the Academy also leases an office lease that expires on July 31, 2029. The lease agreement contains an escalation provision that increases the annual base rent per year and rent abatements for both the current and expanded office space.

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

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

<u>For the Year Ending December 31,</u>	<i>(In Thousands)</i>
2022	\$ 3,895
2023	4,163
2024	3,585
2025	255
2026	261
2027 and thereafter	<u>706</u>
Total	<u>\$ 12,865</u>

Rental expense under these leases was approximately \$3,596,000 and \$3,663,000 for the years ended December 31, 2021 and 2020, respectively.

**Sublease Agreement**

The Association entered into a noncancelable operating sublease agreement with RLJ Entertainment, Inc. (RLJ) to sublet office space in the Association's Silver Spring, MD headquarters building through November 2020. In December 2020, the sublease was extended through November 2021, with option to extend the sublease agreement through October 2024. In May 2021, RLJ signed an amendment to the sublease agreement to extend the lease through November 2022. Rental income for the years ended December 31, 2021 and 2020 was approximately \$445,000 and \$429,000, respectively.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020

7. Commitments and Contingencies (continued)

**Employment Contracts**

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

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

**Hotel Commitments**

The Organization has entered into agreements with hotels for room accommodations and other functions for its meetings to be held subsequent to December 31, 2021. The agreements contain clauses whereby the Organization may be liable for liquidated damages in the event of cancellation. As of December 31, 2021, the maximum potential amount of liquidated damages amounted to approximately \$2,267,000.

**Compliance Audit**

The Organization has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures, which may be disallowed by the federal agencies, cannot be determined at this time, although the Organization expects such an amount, if any, to be insignificant.

8. Net Assets

**Net Assets Without Donor Restrictions**

The Organization's net assets without donor restrictions are composed of undesignated amounts and board-designated funds. As of December 31, 2021 and 2020, the Organization's net assets without donor restrictions were as follows:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Undesignated	\$ 43,977	\$ 18,156
Board-designated:		
Operating reserve fund	42,433	42,674
Special purpose reserve fund	4,165	4,304
Funds functioning as an endowment	<u>586</u>	<u>502</u>
Total Net Assets Without Donor Restrictions	<u>\$ 91,161</u>	<u>\$ 65,636</u>



**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2021 and 2020**

8. Net Assets (continued)

**Net Assets With Donor Restrictions**

Net assets with donor restrictions were designated for the following purposes or periods as of December 31, 2021 and 2020:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
AAN program-restricted funds	\$ 26	\$ 164
Foundation program-restricted funds	24,832	10,782
ANA nursing scholarships and special awards	380	309
PAC funds	<u>300</u>	<u>268</u>
Total Subject to Expenditure for Specified Purpose	<u>25,538</u>	<u>11,523</u>
Subject to spending policy and appropriation:		
Original donor-restricted gifts required to be maintained in perpetuity	4,996	2,600
Accumulated endowment earnings	<u>1,724</u>	<u>1,636</u>
Total Subject to Spending Policy and Appropriation	<u>6,720</u>	<u>4,236</u>
Total Net Assets With Donor Restrictions	<u>\$ 32,258</u>	<u>\$ 15,759</u>

9. Endowments

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

**Uniform Prudent Management of Institutional Funds Act**

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

## AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2021 and 2020

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#### 9. Endowments (continued)

##### **Uniform Prudent Management of Institutional Funds Act (continued)**

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

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

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

##### **Return Objectives and Risk Parameters**

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

##### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

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

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020**

9. Endowments (continued)

**Spending Policy and How the Investment Objectives Relate to Spending Policy (continued)**

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, 2021 and 2020:

	<i>(In Thousands)</i>		
	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Endowments net assets, January 1, 2020	\$ 436	\$ 4,230	\$ 4,666
Investment return	7	44	51
Contributions	-	48	48
Transfers	69	-	69
Appropriations	<u>(10)</u>	<u>(86)</u>	<u>(96)</u>
Endowments net assets, December 31, 2020	502	4,236	4,738
Investment return	24	208	232
Contributions	-	2,514	2,514
Transfers	71	-	71
Appropriations	<u>(11)</u>	<u>(238)</u>	<u>(249)</u>
Endowments net assets, December 31, 2021	<u>\$ 586</u>	<u>\$ 6,720</u>	<u>\$ 7,306</u>

**Funds with Deficiencies**

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA not to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of December 31, 2021 and 2020.

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2021 and 2020**

10. Availability of Resources and Liquidity

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

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,575	\$ 6,629
Accounts receivable	3,454	3,586
Grants and contributions receivable	11,202	1,922
Investments	<u>116,988</u>	<u>91,101</u>
Total Available Financial Assets	139,219	103,238
Less:		
Receivables due beyond one year	(6,390)	(75)
Investments in limited partnerships	(4,127)	(4,281)
Donor-imposed restrictions:		
Endowment gifts	(6,720)	(4,236)
Other donor restrictions	(19,148)	(11,448)
Board-designated amounts	<u>(47,184)</u>	<u>(47,480)</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$ 55,650</u>	<u>\$ 35,718</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a goal to maintain financial assets, which consists of cash and short-term investments, on hand to meet six months of normal operating expenses, which are on average, approximately \$6,000,000 per month. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including certificates of deposit, mutual funds, and short-term treasury instruments. The investment portfolio includes amounts invested for long-term purposes. Although the Organization does not intend to do so, amounts from its long-term investments could be made available if necessary. Additionally, the Organization has board-designated net assets that could be available for current operations with Board approval, if necessary.

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

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020**

11. Pension Plan

**Defined Contribution Plan**

The Association sponsors a defined contribution salary deferral 401(k) plan available to all full-time employees. The Association contributed 4% of annual pay and matched 100% of the first 2% of the participant's contribution and an additional 50% of the second 2% of the participant's contribution. Contributions made by the Association for the years ended December 31, 2021 and 2020, amounted to approximately \$1,811,000 and \$1,699,000, respectively.

The Academy sponsors a 401(k) tax deferred retirement plan for the benefit of its employees. The plan covers all eligible employees, as defined. Plan participants may make voluntary salary reduction contributions up to the maximum amount allowed. Employer contributions are a 100% match up to 3% and a 50% match up to 5% of the employee's salary. Pension expense related to this plan totaled approximately \$39,000 and \$34,000 for the years ended December 31, 2021 and 2020, respectively.

**Defined Benefit Plan**

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

The Association's policy is to fund at least the minimum funding required by the Employee Retirement Plan Income Security Act of 1974, which is approximately \$277,000 for 2022. Projected contributions for 2022 are \$3,000,000.

The measurement dates used for the plan are as of and for the years ended December 31, 2021 and 2020. The following tables set forth the plan's funded status and amounts recognized in the consolidated financial statements as of and for the years ended December 31:

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Accumulated Benefit Obligation	\$ 37,805	\$ 39,708
	<u>2021</u>	<u>2020</u>
Benefit Obligation at December 31	\$ (37,805)	\$ (39,708)
Fair Value of Plan Assets at December 31	<u>32,425</u>	<u>28,140</u>
Funded Status**	<u>\$ (5,380)</u>	<u>\$ (11,568)</u>

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

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2021 and 2020**

11. Pension Plan (continued)

**Defined Benefit Plan (continued)**

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u>
Change in Benefit Obligation		
Balance – Beginning of Year	\$ 39,708	\$ 36,208
Interest cost	722	1,019
Benefits paid	(1,836)	(1,885)
Actuarial loss (gain)**	<u>(789)</u>	<u>4,366</u>
Balance – End of Year	<u>\$ 37,805</u>	<u>\$ 39,708</u>

\*\* The actuarial gain in 2021 was primarily driven by the increase in effective discount rate. The actuarial loss in 2020 was primarily driven by the decrease in effective discount rate.

	<i>(In Thousands)</i>	
	<u>2021</u>	<u>2020</u> <i>(As Adjusted)</i>
Change in Plan Assets		
Balance – Beginning of Year	\$ 28,140	\$ 25,489
Actual return on plan assets	3,121	2,846
Employer contributions	3,000	1,690
Benefits paid	<u>(1,836)</u>	<u>(1,885)</u>
Balance – End of Year	<u>\$ 32,425</u>	<u>\$ 28,140</u>
Pension-Related Changes Other Than Net Periodic Pension Cost*:		
Net loss (gain) during the year	\$ (2,325)	\$ 3,080
Amortization of net gain (loss)	<u>2,325</u>	<u>(3,080)</u>
Total	<u>\$ -</u>	<u>\$ -</u>
Net Periodic Pension Costs Consist of:		
Interest costs	\$ 722	\$ 1,019
Expected return on plan assets	(1,584)	(1,560)
Amortization of net loss (gain)*	<u>(2,325)</u>	<u>3,080</u>
Total	<u>\$ (3,187)</u>	<u>\$ 2,539</u>

\*As discussed in Note 1, the Organization changed to mark-to-market accounting for its defined benefit pension plan and as a result, the actuarial gains and losses outside the “corridor”, previously reported under pension-related changes other than net periodic pension cost, is immediately recognized as a component of net periodic pension costs rather than amortizing them over several years.

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2021 and 2020**

11. Pension Plan (continued)

**Defined Benefit Plan (continued)**

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

	<u>2021</u>	<u>2020</u>
Effective discount rate	2.42%	3.31%
Effective interest rate	1.87%	2.90%

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

	<u>2021</u>	<u>2020</u>
Rate of compensation increase	Not Applicable	Not Applicable
Expected return on assets	5.75%	6.20%
Effective discount rate	2.80%	2.42%
Rate of compensative increase	Not Applicable	Not Applicable
Measurement date	12/31/2021	12/31/2020

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

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

<u>For the Year Ending December 31,</u>	<i>(In Thousands)</i>
2022	\$ 2,183
2023	2,206
2024	2,204
2025	2,236
2026	2,235
Next five years	<u>10,905</u>
Total	<u>\$ 21,969</u>

**Plan Assets**

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

Equity	46%
Fixed income	45%
Alternative and other	<u>9%</u>
Total	<u>100%</u>

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

11. Pension Plan (continued)

**Defined Benefit Plan (continued)**

Plan Assets (continued)

The plan's weighted average asset allocation as of December 31, 2021 and 2020, by asset category, was as follows:

	<u>2021</u>	<u>2020</u>
Equity	54%	64%
Fixed income	45%	33%
Alternative and other	<u>1%</u>	<u>3%</u>
Total	<u>100%</u>	<u>100%</u>

The fair values of the Organizations pension plan assets at December 31, 2021, by asset class, were as follows:

	<i>(In Thousands)</i>			
	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Defined benefit plan assets:				
Mutual funds:				
Equities	\$ 5,596	\$ 5,596	\$ -	\$ -
Fixed income	12,847	12,847	-	-
Exchange-traded funds	6,988	6,988	-	-
Equity securities	4,692	4,692	-	-
Annuity contract	1,576	-	-	1,576
Money market funds	<u>481</u>	<u>481</u>	-	-
Total Plan Assets	32,180	<u>\$ 30,604</u>	<u>\$ -</u>	<u>\$ 1,576</u>
Other investments measured at NAV <sup>(a)</sup> :				
Other assets	<u>245</u>			
Total Plan Assets	<u>\$ 32,425</u>			



**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

11. Pension Plan (continued)

**Defined Benefit Plan (continued)**

Plan Assets (continued)

The fair values of the Organizations pension plan assets at December 31, 2020, by asset class, were as follows:

	<i>(In Thousands)</i>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Defined benefit plan assets:				
Mutual funds:				
Equities	\$ 5,122	\$ 5,122	\$ -	\$ -
Fixed income	7,807	7,807	-	-
Exchange-traded funds	8,403	8,403	-	-
Equity securities	4,381	4,381	-	-
Annuity contract	1,609	-	-	1,609
Money market funds	<u>534</u>	<u>534</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	27,856	<u>\$ 26,247</u>	<u>\$ -</u>	<u>\$ 1,609</u>
Other investments measured at NAV <sup>(a)</sup> :				
Other assets	<u>284</u>			
Total Plan Assets	<u>\$ 28,140</u>			

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

Defined benefit plan assets measured at NAV by major category as of December 31, 2021 are as follows:

	<i>(In Thousands)</i>			
<u>2021</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Multi-Strategy LP	\$ 245	\$ -	Monthly	Monthly

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2021 and 2020**

11. Pension Plan (continued)

**Defined Benefit Plan (continued)**

Plan Assets (continued)

Defined benefit plan assets measured at NAV by major category as of December 31, 2020 are as follows:

	<i>(In Thousands)</i>			
<u>2020</u>	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Multi-Strategy LP	\$ 284	\$ -	Monthly	Monthly

12. Risks and Uncertainties

The Organization invests in a variety of investment types. These investments are exposed to various risks, such as interest rate, market, and credit risk. Market risks include global events which could impact the value of investment securities, such as pandemic or international conflict. 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 consolidated financial statements. Additionally, at times during the year, the Organization had funds invested with local financial institutions in excess of the Federal Deposit Insurance Corporation limits. To date, the Organization has not experienced losses in any of these accounts.

13. Income Taxes

The Association and ANCC are exempt from the payment of income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC). The Foundation, the Academy and INRE are exempt from the payment of income taxes under Section 501(c)(3) of the IRC and are each classified as other than a private foundation. The Association, ANCC, Foundation and Academy are all required to report unrelated business income to the Internal Revenue Service and Maryland for the Association, ANCC and ANF. The Academy is required to report unrelated business income to the District of Columbia. The Association, ANCC, ANF and the Academy did not have any significant unrelated business income tax liability for the years ended December 31, 2021 and 2020. Under the provisions of Section 527 of the IRC, political contributions received by the PAC and used for a political campaign or similar purpose are not included in the taxable income of the organization. However, the PAC is subject to tax on the net investment income. The Service Corporation is a for-profit taxable entity.

The Organization adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2021 and 2020**

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13. Income Taxes (continued)

financial statements and prescribe a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income taxes for the years ended December 31, 2021 and 2020, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of December 31, 2021, there were years with tax returns that remained open with the U.S. federal jurisdiction and/or the various states and local jurisdictions in which the Organization files tax returns; however, no examinations are currently pending or in progress. As of December 31, 2021 and 2020, the Organization had no accruals for interest and/or penalties.

14. Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented.

15. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 26, 2022, the date the consolidated financial statements were available to be issued. Other than the new lease discussed in Note 7, there were no subsequent events that require recognition or disclosure in these consolidated financial statements.

**SUPPLEMENTARY INFORMATION**

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

December 31, 2021

*(in Thousands)*

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,193	\$ 812	\$ 2,281	\$ 1,989	\$ 300	\$ -	\$ 7,575
Accounts receivable, net	1,519	-	42	1,893	-	-	3,454
Grants and contributions receivable, net	725	10,572	22	-	-	(117)	11,202
Inventory	371	-	9	17	-	-	397
Prepaid expenses and other assets	1,802	257	70	48	-	-	2,177
Investments	37,993	22,300	5,452	51,243	-	-	116,988
Investment in LLC	1,000	-	-	-	-	-	1,000
Property and equipment, net	2,797	4	413	2,236	-	-	5,450
Due from related organizations	23,648	926	-	25,362	-	(49,936)	-
<b>TOTAL ASSETS</b>	<b>\$ 72,048</b>	<b>\$ 34,871</b>	<b>\$ 8,289</b>	<b>\$ 82,788</b>	<b>\$ 300</b>	<b>\$ (50,053)</b>	<b>\$ 148,243</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Dues collected on behalf of Constituent/State Nurses Association	\$ 932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 932
Accounts payable and accrued expenses	1,578	197	194	2,525	-	-	4,494
Accrued salary, vacation, pension obligation and related expenses	9,164	-	51	-	-	-	9,215
Grants and contributions payable	-	148	360	-	-	(117)	391
Due to related organizations	26,157	585	-	23,194	-	(49,936)	-
Contract liabilities	1,923	-	511	4,946	-	-	7,380
Refundable advances	-	124	59	-	-	-	183
Deferred rent and lease incentive	1,846	-	383	-	-	-	2,229
<b>TOTAL LIABILITIES</b>	<b>41,600</b>	<b>1,054</b>	<b>1,558</b>	<b>30,665</b>	<b>-</b>	<b>(50,053)</b>	<b>24,824</b>
<b>Net Assets</b>							
<b>Without donor restrictions</b>							
Undesignated	8,940	1,713	6,142	27,182	-	-	43,977
Designated	21,094	586	563	24,941	-	-	47,184
<b>Total Net Assets Without Donor Restrictions</b>	<b>30,034</b>	<b>2,299</b>	<b>6,705</b>	<b>52,123</b>	<b>-</b>	<b>-</b>	<b>91,161</b>
<b>With donor restrictions</b>	<b>414</b>	<b>31,518</b>	<b>26</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>32,258</b>
<b>TOTAL NET ASSETS</b>	<b>30,448</b>	<b>33,817</b>	<b>6,731</b>	<b>52,123</b>	<b>300</b>	<b>-</b>	<b>123,419</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 72,048</b>	<b>\$ 34,871</b>	<b>\$ 8,289</b>	<b>\$ 82,788</b>	<b>\$ 300</b>	<b>\$ (50,053)</b>	<b>\$ 148,243</b>

See independent auditors' report.

**AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

December 31, 2020

*(in Thousands)*

	American Nurses Association	American Nurses Foundation	American Academy of Nursing	American Nurses Credentialing Center	ANA Political Action Committee	Eliminations	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,520	\$ 920	\$ 2,681	\$ 1,243	\$ 265	\$ -	\$ 6,629
Accounts receivable, net	1,429	1	62	2,091	3	-	3,586
Grants and contributions receivable, net	777	1,041	104	-	-	-	1,922
Inventory	275	-	17	3	-	-	295
Prepaid expenses and other assets	2,003	3	90	498	-	-	2,594
Investments	31,249	15,532	4,778	39,542	-	-	91,101
Investment in LLC	1,000	-	-	-	-	-	1,000
Property and equipment, net	2,760	9	34	3,346	-	-	6,149
Due from related organizations	28,997	545	-	23,508	-	(53,050)	-
<b>TOTAL ASSETS</b>	<b>\$ 70,010</b>	<b>\$ 18,051</b>	<b>\$ 7,766</b>	<b>\$ 70,231</b>	<b>\$ 268</b>	<b>\$ (53,050)</b>	<b>\$ 113,276</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Dues collected on behalf of Constituent/State Nurses Association	\$ 964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 964
Accounts payable and accrued expenses	1,595	361	60	862	-	-	2,878
Accrued salary, vacation, pension obligation and related expenses	15,146	-	4	-	-	-	15,150
Grants payable	-	38	-	-	-	-	38
Due to related organizations	24,037	1,295	-	27,718	-	(53,050)	-
Contract liabilities	1,691	-	377	8,288	-	-	10,356
Refundable advances	-	131	38	-	-	-	169
Deferred rent and lease incentive	2,300	-	26	-	-	-	2,326
<b>TOTAL LIABILITIES</b>	<b>45,733</b>	<b>1,825</b>	<b>505</b>	<b>36,868</b>	<b>-</b>	<b>(53,050)</b>	<b>31,881</b>
<b>Net Assets</b>							
<b>Without donor restrictions</b>							
Undesignated	2,852	740	6,293	8,271	-	-	18,156
Designated	21,082	502	804	25,092	-	-	47,480
<b>Total Net Assets Without Donor Restrictions</b>	<b>23,934</b>	<b>1,242</b>	<b>7,097</b>	<b>33,363</b>	<b>-</b>	<b>-</b>	<b>65,636</b>
<b>With donor restrictions</b>	<b>343</b>	<b>14,984</b>	<b>164</b>	<b>-</b>	<b>268</b>	<b>-</b>	<b>15,759</b>
<b>TOTAL NET ASSETS</b>	<b>24,277</b>	<b>16,226</b>	<b>7,261</b>	<b>33,363</b>	<b>268</b>	<b>-</b>	<b>81,395</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 70,010</b>	<b>\$ 18,051</b>	<b>\$ 7,766</b>	<b>\$ 70,231</b>	<b>\$ 268</b>	<b>\$ (53,050)</b>	<b>\$ 113,276</b>

See independent auditors' report.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2021

(in Thousands)

	American Nurses Association			American Nurses Foundation			American Academy of Nursing			American Nurses Credentialing Center	ANA Political Action Committee			Eliminations	Total		Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	
<b>REVENUE AND SUPPORT</b>																	
Credentialing services and programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,187	\$ -	\$ -	\$ -	\$ -	\$ 43,187	\$ -	\$ 43,187
Contributions, grants and contracts	3,791	112	3,903	998	20,929	21,927	197	181	378	25	-	230	230	(1,778)	3,233	21,452	24,685
Membership dues	19,559	-	19,559	-	-	-	1,627	-	1,627	-	-	-	-	-	21,186	-	21,186
Conference fees	2,392	-	2,392	-	-	-	-	-	879	-	-	-	-	(20)	13,750	-	13,750
Products and services	2,422	-	2,422	11	-	11	14	-	14	2,842	-	-	-	-	5,289	-	5,289
Publications sales	2,424	-	2,424	-	-	-	-	-	-	444	-	-	-	-	2,868	-	2,868
Rental income	445	-	445	-	-	-	-	-	-	-	-	-	-	-	445	-	445
Other income	10	-	10	-	-	-	306	-	306	26	-	-	-	-	342	-	342
Net assets released from restrictions:																	
Satisfaction of program and time restrictions	41	(41)	-	4,603	(4,603)	-	319	(319)	-	-	198	(198)	-	-	5,161	(5,161)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>31,084</b>	<b>71</b>	<b>31,155</b>	<b>5,612</b>	<b>16,326</b>	<b>21,938</b>	<b>3,342</b>	<b>(138)</b>	<b>3,204</b>	<b>57,023</b>	<b>198</b>	<b>32</b>	<b>230</b>	<b>(1,798)</b>	<b>95,461</b>	<b>16,291</b>	<b>111,752</b>
<b>EXPENSES</b>																	
<b>Program Services:</b>																	
Certification	-	-	-	-	-	-	-	-	-	16,986	-	-	-	-	16,986	-	16,986
Recognition programs	-	-	-	-	-	-	-	-	-	12,462	-	-	-	-	12,462	-	12,462
Products and conferences	3,508	-	3,508	-	-	-	1,321	-	1,321	9,166	-	-	-	(20)	13,975	-	13,975
Member services and programs	8,595	-	8,595	-	-	-	433	-	433	-	-	-	-	-	9,028	-	9,028
Programs and special initiatives	6,642	-	6,642	-	-	-	1,487	-	1,487	-	-	-	-	-	8,129	-	8,129
Accreditation	-	-	-	-	-	-	-	-	-	2,584	-	-	-	-	2,584	-	2,584
Grant award programs	2,506	-	2,506	3,795	-	3,795	44	-	44	-	-	-	-	(1,778)	4,567	-	4,567
Services and programs	-	-	-	775	-	775	-	-	-	-	-	-	-	-	775	-	775
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	198	-	198	-	198	-	198
<b>Total Program Services</b>	<b>21,251</b>	<b>-</b>	<b>21,251</b>	<b>4,570</b>	<b>-</b>	<b>4,570</b>	<b>3,285</b>	<b>-</b>	<b>3,285</b>	<b>41,198</b>	<b>198</b>	<b>-</b>	<b>198</b>	<b>(1,798)</b>	<b>68,704</b>	<b>-</b>	<b>68,704</b>
<b>Supporting Services:</b>																	
Governance and general administration	10,522	-	10,522	56	-	56	759	-	759	245	-	-	-	-	11,582	-	11,582
Fundraising	-	-	-	464	-	464	116	-	116	-	-	-	-	-	580	-	580
<b>Total Supporting Services</b>	<b>10,522</b>	<b>-</b>	<b>10,522</b>	<b>520</b>	<b>-</b>	<b>520</b>	<b>875</b>	<b>-</b>	<b>875</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,162</b>	<b>-</b>	<b>12,162</b>
<b>TOTAL EXPENSES</b>	<b>31,773</b>	<b>-</b>	<b>31,773</b>	<b>5,090</b>	<b>-</b>	<b>5,090</b>	<b>4,160</b>	<b>-</b>	<b>4,160</b>	<b>41,443</b>	<b>198</b>	<b>-</b>	<b>198</b>	<b>(1,798)</b>	<b>80,866</b>	<b>-</b>	<b>80,866</b>
Change in Net Assets From Operations	(689)	71	(618)	522	16,326	16,848	(818)	(138)	(956)	15,580	-	32	32	-	14,595	16,291	30,886
<b>NONOPERATING ITEMS</b>																	
Investment return	4,429	-	4,429	595	208	803	426	-	426	5,270	-	-	-	-	10,720	208	10,928
Investment income from LLC	210	-	210	-	-	-	-	-	-	-	-	-	-	-	210	-	210
Distribution to ANA for pension contribution	1,530	-	1,530	(60)	-	(60)	-	-	-	(1,470)	-	-	-	-	-	-	-
Distribution from ANCC	620	-	620	-	-	-	-	-	-	(620)	-	-	-	-	-	-	-
<b>TOTAL NONOPERATING ITEMS</b>	<b>6,789</b>	<b>-</b>	<b>6,789</b>	<b>535</b>	<b>208</b>	<b>743</b>	<b>426</b>	<b>-</b>	<b>426</b>	<b>3,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,930</b>	<b>208</b>	<b>11,138</b>
CHANGE IN NET ASSETS	6,100	71	6,171	1,057	16,534	17,591	(392)	(138)	(530)	18,760	-	32	32	-	25,525	16,499	42,024
NET ASSETS, BEGINNING OF YEAR	23,934	343	24,277	1,242	14,984	16,226	7,097	164	7,261	33,363	-	268	268	-	65,636	15,759	81,395
NET ASSETS, END OF YEAR	\$ 30,034	\$ 414	\$ 30,448	\$ 2,299	\$ 31,518	\$ 33,817	\$ 6,705	\$ 26	\$ 6,731	\$ 52,123	\$ -	\$ 300	\$ 300	\$ -	\$ 91,161	\$ 32,258	\$ 123,419

See independent auditors' report.

AMERICAN NURSES ASSOCIATION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

(in Thousands)

Conference fees	American Nurses Association			American Nurses Foundation			American Academy of Nursing			American Nurses Credentialing Center	ANA Political Action Committee			Total	Total	Consolidated Total	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions		With Donor Restrictions
REVENUE AND SUPPORT																	
Credentialing services and programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,664	\$ -	\$ -	\$ -	\$ -	\$ 39,664	\$ -	\$ 39,664
Membership dues	19,422	-	19,422	-	-	-	1,619	-	1,619	-	-	-	-	-	21,041	-	21,041
Contributions, grants and contracts	2,648	-	2,648	2,102	14,937	17,039	387	357	744	-	-	260	260	(1,144)	3,993	15,554	19,547
Products and services	1,648	-	1,648	75	-	75	11	-	11	3,318	-	-	-	-	5,052	-	5,052
Conference fees	1,997	-	1,997	-	-	-	592	-	592	2,130	-	-	-	-	4,719	-	4,719
Publications sales	1,889	-	1,889	-	-	-	-	-	-	307	-	-	-	-	2,196	-	2,196
Other income	33	-	33	-	-	-	250	-	250	26	-	-	-	-	309	-	309
Rental income	429	-	429	-	-	-	-	-	-	-	-	-	-	-	429	-	429
Net assets released from restrictions:																	
Satisfaction of program and time restrictions	-	-	-	5,692	(5,692)	-	341	(341)	-	-	165	(165)	-	-	6,198	(6,198)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>28,066</b>	<b>-</b>	<b>28,066</b>	<b>7,869</b>	<b>9,245</b>	<b>17,114</b>	<b>3,200</b>	<b>16</b>	<b>3,216</b>	<b>45,445</b>	<b>165</b>	<b>95</b>	<b>260</b>	<b>(1,144)</b>	<b>83,601</b>	<b>9,356</b>	<b>92,957</b>
EXPENSES																	
Program Services:																	
Certification	-	-	-	-	-	-	-	-	-	15,920	-	-	-	-	15,920	-	15,920
Recognition programs	-	-	-	-	-	-	-	-	-	14,328	-	-	-	-	14,328	-	14,328
Products and conferences	1,897	-	1,897	-	-	-	729	-	729	3,127	-	-	-	-	5,753	-	5,753
Member services and programs	7,818	-	7,818	-	-	-	264	-	264	-	-	-	-	-	8,082	-	8,082
Programs and special initiatives	6,194	-	6,194	-	-	-	1,051	-	1,051	917	-	-	-	-	8,162	-	8,162
Accreditation	-	-	-	-	-	-	-	-	-	2,538	-	-	-	-	2,538	-	2,538
Grant award programs	1,917	-	1,917	6,588	-	6,588	109	-	109	-	-	-	-	(1,144)	7,470	-	7,470
Services and programs	-	-	-	645	-	645	-	-	-	-	-	-	-	-	645	-	645
Contributions to Political Candidates	-	-	-	-	-	-	-	-	-	-	165	-	165	-	165	-	165
<b>Total Program Services</b>	<b>17,826</b>	<b>-</b>	<b>17,826</b>	<b>7,233</b>	<b>-</b>	<b>7,233</b>	<b>2,153</b>	<b>-</b>	<b>2,153</b>	<b>36,830</b>	<b>165</b>	<b>-</b>	<b>165</b>	<b>(1,144)</b>	<b>63,063</b>	<b>-</b>	<b>63,063</b>
Supporting Services:																	
Governance and general administration	13,806	-	13,806	40	-	40	770	-	770	4,316	-	-	-	-	18,932	-	18,932
Fundraising	-	-	-	448	-	448	81	-	81	-	-	-	-	-	529	-	529
<b>Total Supporting Services</b>	<b>13,806</b>	<b>-</b>	<b>13,806</b>	<b>488</b>	<b>-</b>	<b>488</b>	<b>851</b>	<b>-</b>	<b>851</b>	<b>4,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,461</b>	<b>-</b>	<b>19,461</b>
<b>TOTAL EXPENSES</b>	<b>31,632</b>	<b>-</b>	<b>31,632</b>	<b>7,721</b>	<b>-</b>	<b>7,721</b>	<b>3,004</b>	<b>-</b>	<b>3,004</b>	<b>41,146</b>	<b>165</b>	<b>-</b>	<b>165</b>	<b>(1,144)</b>	<b>82,524</b>	<b>-</b>	<b>82,524</b>
Change in Net Assets From Operations	(3,566)	-	(3,566)	148	9,245	9,393	196	16	212	4,299	-	95	95	-	1,077	9,356	10,433
NONOPERATING ITEMS																	
Investment return	2,608	-	2,608	588	44	632	612	-	612	3,861	-	-	-	-	7,669	44	7,713
Investment income from LLC	210	-	210	-	-	-	-	-	-	-	-	-	-	-	210	-	210
Pension-related changes other than net periodic pension cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from ANCC	3,566	-	3,566	-	-	-	-	-	-	(3,566)	-	-	-	-	-	-	-
<b>TOTAL NONOPERATING ITEMS</b>	<b>6,384</b>	<b>-</b>	<b>6,384</b>	<b>588</b>	<b>44</b>	<b>632</b>	<b>612</b>	<b>-</b>	<b>612</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,879</b>	<b>44</b>	<b>7,923</b>
CHANGE IN NET ASSETS	2,818	-	2,818	736	9,289	10,025	808	16	824	4,594	-	95	95	-	8,956	9,400	18,356
NET ASSETS, BEGINNING OF YEAR	21,116	343	21,459	506	5,695	6,201	6,289	148	6,437	28,769	-	173	173	-	56,680	6,359	63,039
NET ASSETS, END OF YEAR	\$ 23,934	\$ 343	\$ 24,277	\$ 1,242	\$ 14,984	\$ 16,226	\$ 7,097	\$ 164	\$ 7,261	\$ 33,363	\$ -	\$ 268	\$ 268	\$ -	\$ 65,636	\$ 15,759	\$ 81,395

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