



MUELLER & CO., LLP

Certified Public Accountants ~ Business Advisors

ASSURANCE &

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

MUELLER

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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, 2016 and 2015 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, 2016 and 2015, and the consolidated changes in its 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 14, 2017

EMERGENCY NURSES ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Current assets:		
Cash and cash equivalents	\$ 684,750	863,661
Accounts receivable, net of allowance for doubtful accounts of \$156,028 and \$136,190 for 2016 and 2015, respectively	1,510,641	1,540,317
Inventory	103,587	128,662
Prepaid expenses and other current assets	223,605	156,638
Total current assets	2,522,583	2,689,278
Property and equipment, net	3,469,691	3,689,128
Investments	20,614,054	18,735,785
Total assets	\$ 26,606,328	25,114,191

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 216,975	766,718
Wages and benefits payable	895,210	661,732
Accrued expenses	277,356	246,360
Deferred revenue	3,091,840	3,047,289
Credits on customer accounts	840,709	706,653
Assessments payable	1,496,502	1,310,630
Total current liabilities	6,818,592	6,739,382
Long-term liabilities -		
Deferred revenue, net of current portion	818,789	1,004,871
Total liabilities	7,637,381	7,744,253
Net assets:		
Unrestricted:		
Undesignated	16,484,058	15,242,160
Board designated	1,610,518	1,345,807
Total unrestricted	18,094,576	16,587,967
Temporarily restricted	153,061	104,869
Permanently restricted	721,310	677,102
Total net assets	18,968,947	17,369,938
Total liabilities and net assets	\$ 26,606,328	25,114,191

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, 2016 AND 2015

	2016				2015			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Revenue, Gains and Other Support:								
Courses	\$ 11,557,442	-	-	11,557,442	10,735,438	-	-	10,735,438
Membership dues	3,934,513	-	-	3,934,513	3,677,681	-	-	3,677,681
Conferences	2,959,573	-	-	2,959,573	2,787,895	-	-	2,787,895
Publications	786,312	-	-	786,312	744,770	-	-	744,770
Marketplace	342,000	-	-	342,000	410,664	-	-	410,664
Sponsorships	370,020	-	-	370,020	472,834	-	-	472,834
Royalties	327,666	-	-	327,666	355,431	-	-	355,431
Other	181,613	-	-	181,613	150,079	-	-	150,079
Grants	15,650	-	-	15,650	65,562	-	-	65,562
Mailing lists	29,605	-	-	29,605	23,210	-	-	23,210
Contributions	163,167	217,558	44,208	424,933	103,654	185,854	161,045	450,553
Donated services	101,600	-	-	101,600	116,000	-	-	116,000
Special event revenue, net of direct expenses of \$61,387 and \$34,108 for 2016 and 2015, respectively	2,081	-	-	2,081	98,996	-	-	98,996
Net assets released from restrictions	244,996	(244,996)	-	-	185,135	(185,135)	-	-
Total revenue, gains and other support	21,016,238	(27,438)	44,208	21,033,008	19,927,349	719	161,045	20,089,113
Expenses:								
Programs, grants and scholarships	13,673,390	-	-	13,673,390	13,287,656	-	-	13,287,656
Support services, management and general	5,712,183	-	-	5,712,183	5,504,987	-	-	5,504,987
Fundraising and development	1,268,614	-	-	1,268,614	1,096,343	-	-	1,096,343
Total expenses	20,654,187	-	-	20,654,187	19,888,986	-	-	19,888,986
Increase (decrease) in Net Assets - before other income	362,051	(27,438)	44,208	378,821	38,363	719	161,045	200,127
Other income (expense):								
Investment income (loss)	1,168,569	75,630	-	1,244,199	(333,239)	(15,812)	-	(349,051)
Gain (loss) on disposal of property and equipment	(24,011)	-	-	(24,011)	106	-	-	106
	1,144,558	75,630	-	1,220,188	(333,133)	(15,812)	-	(348,945)
Change in Net Assets	1,506,609	48,192	44,208	1,599,009	(294,770)	(15,093)	161,045	(148,818)
Net assets, beginning of year	16,587,967	104,869	677,102	17,369,938	16,882,737	119,962	516,057	17,518,756
Net assets, end of year	\$ 18,094,576	153,061	721,310	18,968,947	16,587,967	104,869	677,102	17,369,938

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 1,599,009	(148,818)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	483,244	733,645
Net (gain) loss on disposal of property and equipment	24,011	(106)
Bad debt expense	19,838	30,411
Realized and unrealized (gain) loss on investment	(754,613)	770,461
Contributions restricted for investment in endowment	(44,208)	(161,045)
Decrease (increase) in assets:		
Accounts receivable, net of change in allowance for doubtful accounts	9,838	(517,851)
Grants receivable	-	22,334
Other receivables	-	7,222
Inventory	25,075	74,652
Prepaid expenses and other current assets	(66,967)	69,968
Increase (decrease) in liabilities:		
Accounts payable	(549,743)	36,324
Wages and benefits payable	233,478	(3,341)
Accrued expenses	30,996	32,403
Deferred revenue	(141,531)	395,391
Credits on customer accounts	134,056	95,051
Assessments payable	185,872	275,794
	<u>1,188,355</u>	<u>1,712,495</u>
Cash provided by (applied to) investing activities:		
Purchases of property and equipment	(287,818)	(197,117)
Proceeds from sale of property and equipment	-	200
Purchase of investments	(4,989,555)	(13,252,953)
Proceeds from sale and maturities of investments	3,865,899	6,579,457
	<u>(1,411,474)</u>	<u>(6,870,413)</u>
Cash provided by financing activities -		
Collections of contributions restricted for investment in endowment	44,208	161,045
Net decrease in cash and cash equivalents	(178,911)	(4,996,873)
Cash and cash equivalents, beginning of year	863,661	5,860,534
Cash and cash equivalents, end of year	\$ <u>684,750</u>	<u>863,661</u>
Other cash flow information -		
Income taxes paid	\$ <u>67,168</u>	<u>75,739</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 41,800.

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. During 2016, management oversight of ENAF was the responsibility of the ENAF Management Board, subsequent to year-end 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 Management Board, 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 market, determined by the first-in, first-out (FIFO) method. As of December 31, 2016 and 2015, there is no allowance for obsolete and excess inventory necessary; therefore, no allowance was 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 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 are stated at cost and depreciated over estimated useful lives 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 the ENA Board. These designations are based on Board actions, which can be altered or revoked at a future time by the Board. Currently the Board has designated funds for the ENAF endowments as well as to fund projects that fall within the criteria of the ENA spending policy.

Concentration of Credit Risk

The Organization maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash. As of December 31, 2016 and 2015, there are no amounts exceeding the federally insured limits.

The Organization maintains its investments in broker accounts which, at times, may exceed federally insured limits. As of December 31, 2016 and 2015, the Organization's uninsured investment balance was \$19,806,851 and \$17,862,652, 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, 2016 and 2015 amounted to \$97,357 and \$95,106, 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, 2016 and 2015, 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 2013.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes, Continued

During 2014, the Organization was notified it is under an audit from the Illinois Department of Revenue. Management had estimated a liability of \$15,000 and had included this amount as an accrued liability as of December 31, 2014. The audit was completed during 2015 and the total due was \$23,989. The additional amount of \$8,989 was expensed in the year ended December 31, 2015.

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.

Adoption of Accounting Policy – Going Concern Evaluation

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40). ASU No. 2014-15 is effective for the Organization for annual periods ending after December 15, 2016. In the 2016 consolidated financial statements, the Organization adopted ASU No. 2014-15, which requires management to assess, for each interim and annual reporting period, whether adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern for the one-year period from the date the consolidated financial statements are available to be issued. In addition, management is required to consider whether it is probable that their plans intended to mitigate any adverse conditions or events that they identify will be effectively implemented and whether it is probable that, if implemented, their plans will mitigate the identified conditions or events that raised substantial doubt. ASU No. 2014-15 also prescribes the disclosures required to be made in periods when substantial doubt is raised and certain disclosures are required in such periods irrespective of whether it is probable that substantial doubt is alleviated by the effective implementation of management's plans. 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 14, 2017 to July 14, 2018.

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.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standard – Revenue from Contracts, Continued

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 and cash flows and related disclosures.

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 balance sheet and the liabilities for the obligations under the lease also be recognized on the balance sheet. 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 and 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 consolidated 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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events have been evaluated through July 14, 2017, the date that the consolidated financial statements were available for issue.

NOTE 3 - PROPERTY AND EQUIPMENT

The useful lives for purposes of computing depreciation 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

The cost of property and equipment is summarized as follows as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 530,000	530,000
Buildings	3,140,201	3,140,201
Building improvements	358,627	358,627
Equipment	490,860	760,267
Program development	510,880	388,185
Furniture and fixtures	281,578	506,748
Computer software	<u>4,058,948</u>	<u>4,202,589</u>
	9,371,094	9,886,617
Less accumulated depreciation and amortization	(<u>5,901,403</u>)	(<u>6,197,489</u>)
	\$ <u>3,469,691</u>	<u>3,689,128</u>

Depreciation expense of property and equipment charged to operations was \$416,584 and \$667,311 for the years ended December 31, 2016 and 2015, respectively. In addition, the Organization amortized development costs (included in programs, grants and scholarship expenses) for the years ended December 31, 2016 and 2015 in the amounts of \$66,660 and \$66,334, respectively.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 4 - INVESTMENTS

Investment income (loss) for 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividends, net of expenses	\$ 489,586	421,410
Unrealized and realized gains (losses)	<u>754,613</u>	<u>(770,461)</u>
	\$ <u>1,244,199</u>	<u>(349,051)</u>

Investment fees for 2016 and 2015 were \$25,000, and are included in investment income (loss) on the consolidated statements of activities and changes in net assets.

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, 2016 and 2015 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.

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 5 - FAIR VALUE MEASUREMENTS, CONTINUED

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.

Investments reported at market value consist 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>767,488</u>
	\$ <u>20,614,054</u>	-	-	<u>20,614,054</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 5 - FAIR VALUE MEASUREMENTS, CONTINUED

Investments reported at market value consist of the following at December 31, 2015:

	Assets at Fair Value at December 31, 2015			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Fixed income:				
Broad domestic	\$ 3,224,143	-	-	3,224,143
International bonds	486,157	-	-	486,157
High yield bonds	1,797,913	-	-	1,797,913
Short-term bonds	5,276,350	-	-	5,276,350
Equity:				
Domestic large cap	2,595,082	-	-	2,595,082
Domestic small/mid cap	1,206,325	-	-	1,206,325
International equity	1,093,524	-	-	1,093,524
Market neutral	670,120	-	-	670,120
Emerging markets	1,091,951	-	-	1,091,951
Real estate funds	671,468	-	-	671,468
Commodities	<u>622,752</u>	<u>-</u>	<u>-</u>	<u>622,752</u>
	\$ <u>18,735,785</u>	<u>-</u>	<u>-</u>	<u>18,735,785</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 6 - OPERATING LEASE

The Organization is obligated under certain operating leases, primarily for certain office space and office equipment which expire on various dates until 2018.

Total rent expense under all operating leases amounted to approximately \$84,120 and \$48,433 for the years ended December 31, 2016 and 2015, respectively.

The aggregate future minimum lease commitment on these leases as of December 31, 2016 is as follows:

2017	\$	98,745
2018		<u>32,079</u>
	\$	<u>130,824</u>

NOTE 7 - 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 2016 and 2015, 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 2016 and 2015 were \$594,290 and \$575,097, respectively.

NOTE 8 - 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:

2017	\$	1,041,134
2018		237,820
2019		-
2020		<u>1,596,604</u>
	\$	<u>2,875,558</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - 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 9 - 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>-</u>	<u>117,179</u>
Total investment income	<u>97,623</u>	<u>75,630</u>	<u>-</u>	<u>173,253</u>
Contributions	<u>25,000</u>	<u>-</u>	<u>44,208</u>	<u>69,208</u>
Obligation to replenish corpus	<u>719</u>	<u>(719)</u>	<u>-</u>	<u>-</u>
Appropriation of endowment assets for expenditure	<u>(49,000)</u>	<u>(26,719)</u>	<u>-</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 9 - ENDOWMENTS, CONTINUED

Endowment net asset composition by type of fund as of December 31, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated funds endowment	\$ 1,068,498	-	-	1,068,498
Donor-restricted funds endowment	<u>-</u>	<u>104,869</u>	<u>677,102</u>	<u>781,971</u>
Total funds	\$ <u>1,068,498</u>	<u>104,869</u>	<u>677,102</u>	<u>1,850,469</u>

Changes in endowment net assets for the fiscal year ended December 31, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>1,122,185</u>	<u>119,962</u>	<u>516,057</u>	<u>1,758,204</u>
Investment income:				
Interest and dividends	31,427	19,885	-	51,312
Net depreciation (realized and unrealized)	(<u>62,945</u>)	(<u>35,697</u>)	-	(<u>98,642</u>)
Total investment loss	(<u>31,518</u>)	(<u>15,812</u>)	-	(<u>47,330</u>)
Contributions	<u>25,150</u>	-	<u>161,045</u>	<u>186,195</u>
Obligation to replenish corpus	(<u>719</u>)	<u>719</u>	-	-
Appropriation of endowment assets for expenditure	(<u>46,600</u>)	-	-	(<u>46,600</u>)
Endowment net assets, end of year	\$ <u>1,068,498</u>	<u>104,869</u>	<u>677,102</u>	<u>1,850,469</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 9 - 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 professional accounting standards, 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 10 - RESTRICTION ON NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Purpose restrictions:		
Karen O'Neil Endowed Scholarship Fund	\$ 17,660	13,268
New York State September 11 Endowment Fund	23,654	14,053
Judith C. Kelleher Memorial Endowment Fund	21,919	17,328
Anita Dorr Memorial Endowment Fund	98	-
Jeanette Ash Memorial Endowment Fund	1,627	-
Richard Wynkoop Memorial Endowment Fund	371	-
Elizabeth Moore Memorial Endowment Fund	12,286	3,194
Texas Endowment Fund	1,842	-
General Endowment Fund	<u>73,604</u>	<u>57,026</u>
Total temporarily restricted net assets	\$ <u>153,061</u>	<u>104,869</u>

EMERGENCY NURSES ASSOCIATION AND AFFILIATE

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

NOTE 10 - RESTRICTION ON NET ASSETS, CONTINUED

Permanently restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Karen O'Neil Endowed Scholarship Fund	\$ 66,439	65,769
New York State September 11 Endowment Fund	90,104	88,109
Judith C. Kelleher Memorial Endowment Fund	65,045	64,203
Anita Dorr Memorial Endowment Fund	1,102	1,000
Jeanette Ash Memorial Endowment Fund	29,365	15,955
Richard Wynkoop Memorial Endowment Fund	6,947	4,783
Elizabeth Moore Memorial Endowment Fund	100,000	100,000
Texas Endowment Fund	25,000	-
General Endowment Fund	<u>337,308</u>	<u>337,283</u>
Total permanently restricted net assets	\$ <u>721,310</u>	<u>677,102</u>

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions during the years ended December 31, 2016 and 2015, because donor restrictions were met by satisfying the stated purpose or time or other event are as follows:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 236,996	182,135
Research	<u>8,000</u>	<u>3,000</u>
Total net assets released from restrictions	\$ <u>244,996</u>	<u>185,135</u>

NOTE 12 - RECLASSIFICATIONS

Certain amounts in the 2015 financial statements have been reclassified to conform with the year 2016 presentation.

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, 2016 and 2015 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 2016 and 2015 information on pages 23 through 28 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, 2016 and 2015 taken as a whole.

Mueller & Co., LLP

Elgin, Illinois
July 14, 2017

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Current assets:		
Cash and cash equivalents	\$ 569,167	586,969
Receivables:		
Accounts receivable, net of allowance for doubtful accounts of \$156,028 and \$136,190 for 2016 and 2015, respectively	1,510,641	1,540,317
Due from affiliate - ENA Foundation	-	2,723
Inventory	103,587	128,662
Prepaid expenses and other current assets	223,605	153,338
Total current assets	2,407,000	2,412,009
Property and equipment, net	3,469,691	3,685,761
Investments	17,830,154	16,405,634
Total assets	\$ 23,706,845	22,503,404

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 210,312	757,565
Wages and benefits payable	895,210	661,732
Accrued expenses	277,356	246,321
Due to affiliate - ENA Foundation	7,320	-
Deferred revenue	3,091,840	3,047,289
Credits on customer accounts	840,559	706,156
Assessments payable	1,496,502	1,310,630
Total current liabilities	6,819,099	6,729,693
Long-term liabilities -		
Deferred revenue, net of current portion	818,789	1,004,871
Total liabilities	7,637,888	7,734,564
Net assets:		
Unrestricted:		
Undesignated	15,601,279	14,492,250
Board designated	467,678	276,590
Total unrestricted	16,068,957	14,768,840
Total liabilities and net assets	\$ 23,706,845	22,503,404

See Independent Auditors' Report on Supplementary Information.

EMERGENCY NURSES ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Revenue, gains and other support:		
Courses	\$ 11,557,442	10,735,438
Membership dues	3,934,513	3,677,681
Conferences	2,959,573	2,787,895
Publications	786,312	744,770
Marketplace	342,000	410,664
Sponsorships	370,020	472,834
Royalties	327,666	355,431
Other	181,613	150,057
Grants	15,650	65,562
Mailing lists	29,605	23,210
Donated services	101,600	116,000
	<u>20,605,994</u>	<u>19,539,542</u>
Total revenue, gains and other support		
Expenses:		
Program services	13,548,062	13,192,705
Support services, management and general	5,599,144	5,398,111
Fundraising and development	1,147,773	980,678
	<u>20,294,979</u>	<u>19,571,494</u>
Total expenses		
Increase (decrease) in net assets - before other income	311,015	(31,952)
Other income (expense):		
Investment income (loss)	1,013,113	(284,121)
Gain (loss) on disposal of property and equipment	(24,011)	106
	<u>989,102</u>	<u>(284,015)</u>
Increase (decrease) in net assets	1,300,117	(315,967)
Net assets, beginning of year	<u>14,768,840</u>	<u>15,084,807</u>
Net assets, end of year	<u>\$ 16,068,957</u>	<u>14,768,840</u>

See Independent Auditors' Report on Supplementary Information.

EMERGENCY NURSES ASSOCIATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash provided by (applied to) operating activities:		
Increase (decrease) in net assets	\$ 1,300,117	(315,967)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	479,877	726,912
Net (gain) loss on disposal of property and equipment	24,011	(106)
Bad debt expense	19,838	30,411
Realized and unrealized losses (gains) on investments	(597,081)	643,437
Decrease (increase) in assets:		
Accounts receivable	9,838	(517,851)
Grants receivable	-	22,334
Other receivables	-	7,222
Inventory	25,075	74,287
Prepaid expenses, deposits and other assets	(70,267)	73,268
Increase (decrease) in liabilities:		
Accounts payable	(547,253)	34,039
Wages and benefits payable	233,478	(3,341)
Accrued expenses	31,035	32,364
Due (to) from affiliate - ENA Foundation	10,043	(9,307)
Deferred revenue	(141,531)	397,741
Credits on customer accounts	134,403	94,954
Assessments payable	185,872	275,794
	<u>1,097,455</u>	<u>1,566,191</u>
Cash provided by (applied to) investing activities:		
Purchases of property and equipment	(287,818)	(197,117)
Proceeds from sale of property and equipment	-	200
Purchases of investments	(4,643,386)	(11,913,875)
Proceeds from sale and maturities of investments	<u>3,815,947</u>	<u>5,629,622</u>
	<u>(1,115,257)</u>	<u>(6,481,170)</u>
Net decrease in cash and cash equivalents	(17,802)	(4,914,979)
Cash and cash equivalents, beginning of year	<u>586,969</u>	<u>5,501,948</u>
Cash and cash equivalents, end of year	\$ <u><u>569,167</u></u>	\$ <u><u>586,969</u></u>
Other cash flow information -		
Income taxes paid	\$ <u><u>67,168</u></u>	\$ <u><u>75,739</u></u>

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Current assets:		
Cash and cash equivalents	\$ 115,583	276,692
Due from affiliate - ENA	7,320	-
Prepaid expenses and other current assets	-	3,300
	122,903	279,992
Property and equipment, net	-	3,367
Investments	2,783,900	2,330,151
Total assets	\$ 2,906,803	2,613,510

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 6,663	9,153
Accrued expenses	-	39
Due to affiliate - ENA	-	2,723
Credits on customer accounts	150	497
	6,813	12,412
Net assets:		
Unrestricted:		
Undesignated	882,779	749,910
Board designated	1,142,840	1,069,217
	2,025,619	1,819,127
Temporarily restricted	153,061	104,869
Permanently restricted	721,310	677,102
	2,899,990	2,601,098
Total liabilities and net assets	\$ 2,906,803	2,613,510

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
Support, revenues and other additions:								
Support:								
Contributions	\$ 458,941	217,558	44,208	720,707	383,029	185,854	161,045	729,927
Special events revenue - net of direct expenses of \$61,387 and \$34,108 for the years 2016 and 2015, respectively	2,081	-	-	2,081	98,996	-	-	98,996
Other	-	-	-	-	22	-	-	22
Net assets released from restriction	244,996	(244,996)	-	-	185,135	(185,135)	-	-
Total revenue, gains and other support	706,018	(27,438)	44,208	722,788	667,181	719	161,045	828,945
Expenses:								
Programs, grants and scholarships	307,627	-	-	307,627	265,846	-	-	265,846
General and administrative	226,514	-	-	226,514	215,355	-	-	215,355
Fundraising and development	120,841	-	-	120,841	115,665	-	-	115,665
Total expenses	654,982	-	-	654,982	596,866	-	-	596,866
Increase in net assets - before investment income	51,036	(27,438)	44,208	67,806	70,315	719	161,045	232,079
Investment income (loss)	155,456	75,630	-	231,086	(49,118)	(15,812)	-	(64,930)
Change in net assets	206,492	48,192	44,208	298,892	21,197	(15,093)	161,045	167,149
Net assets, beginning of year	1,819,127	104,869	677,102	2,601,098	1,797,930	119,962	516,057	2,433,949
Net assets, end of year	\$ 2,025,619	153,061	721,310	2,899,990	1,819,127	104,869	677,102	2,601,098

See Independent Auditors' Report on Supplementary Information.

ENA FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash provided by (applied to) operating activities:		
Change in net assets	\$ 298,892	167,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,367	6,733
Realized and unrealized (gain) loss on investments	(157,532)	127,024
Contributions restricted for investment in endowment	(44,208)	(161,045)
Decrease (increase) in assets:		
Due (to) from affiliate - ENA	(10,043)	9,307
Prepaid expenses	3,300	(3,300)
Inventory	-	365
Increase (decrease) in liabilities:		
Accounts payable	(2,490)	2,285
Accrued expenses	(39)	39
Deferred revenue	-	(2,350)
Credits on customer accounts	(347)	97
	<u>90,900</u>	<u>146,304</u>
Cash provided by (applied to) investing activities:		
Purchases of investments	(346,169)	(1,339,078)
Proceeds from sale and maturities of investments	49,952	949,835
	<u>(296,217)</u>	<u>(389,243)</u>
Cash provided by financing activities -		
Collections of contributions restricted for investment in endowment	44,208	161,045
Net decrease in cash and cash equivalents	(161,109)	(81,894)
Cash and cash equivalents, beginning of year	<u>276,692</u>	<u>358,586</u>
Cash and cash equivalents, end of year	<u>\$ 115,583</u>	<u>276,692</u>

See Independent Auditors' Report on Supplementary Information.