

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



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**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
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YEARS ENDED JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
American Association of Critical-Care Nurses  
and Subsidiary and Affiliate  
Aliso Viejo, California

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of American Association of Critical-Care Nurses and Subsidiary (AACN Property Holdings, LLC) and Affiliate (AACN Certification Corporation), hereinafter collectively referred to as the Association, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Consolidated Financial Statements section of our report. We are required to be independent of the Association 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 Consolidated 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 Association's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated 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 GAAS 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 Association'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 Association'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.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
October 9, 2025

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 14,289,020	\$ 14,073,906
Accounts and Interest Receivable - Net of Allowance for Credit Loss of \$36,250 for 2025 and 2024	204,392	213,002
Other Receivables	1,808,757	1,639,040
Prepays and Other Assets	1,894,164	1,828,083
Inventories	293,059	246,195
Total Current Assets	18,489,392	18,000,226
<b>INVESTMENTS</b>	122,059,447	120,158,798
<b>PROPERTY AND EQUIPMENT, NET</b>	37,348,730	38,709,261
Total Assets	\$ 177,897,569	\$ 176,868,285
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 10,103,976	\$ 8,749,393
Deferred Certification Fee Revenue	2,866,592	2,482,919
Deferred Membership Dues	4,928,588	4,937,658
Deferred eLearning Revenue	1,101,315	1,589,780
Deferred Subscription Revenue	119,794	123,827
Finance Lease Liability, Current Portion	41,415	38,846
Other Deferred Revenue	2,375,163	1,881,016
Note Payable, Current Portion	675,734	654,268
Total Current Liabilities	22,212,577	20,457,707
<b>NONCURRENT LIABILITIES</b>		
Deferred Membership Dues	2,180,391	2,232,048
Deferred eLearning Revenue	525,328	357,161
Deferred Subscription Revenue	13,048	9,514
Finance Lease Liability, Net of Current Portion	78,245	119,659
Note Payable, Net of Current Portion	16,697,795	17,373,457
Total Noncurrent Liabilities	19,494,807	20,091,839
Total Liabilities	41,707,384	40,549,546
<b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	73,020,318	75,644,694
Sustaining Fund	38,768,900	36,574,600
Infrastructure Fund	10,000,000	10,000,000
Innovation Fund	10,000,000	10,000,000
Total Without Donor Restrictions	131,789,218	132,219,294
With Donor Restrictions:		
Purpose Restrictions	1,659,579	1,378,263
Scholarship Endowment Fund	2,741,388	2,721,182
Total With Donor Restrictions	4,400,967	4,099,445
Total Net Assets	136,190,185	136,318,739
Total Liabilities and Net Assets	\$ 177,897,569	\$ 176,868,285

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER PROCEEDS</b>						
eLearning	\$ 8,698,897	\$ -	\$ 8,698,897	\$ 9,402,623	\$ -	\$ 9,402,623
Membership	9,896,632	-	9,896,632	9,552,819	-	9,552,819
Education Programs	7,293,587	-	7,293,587	6,986,056	-	6,986,056
Certification Fees	8,179,274	-	8,179,274	7,643,880	-	7,643,880
Recertification Fees	4,888,420	-	4,888,420	4,802,095	-	4,802,095
Publications	2,097,057	-	2,097,057	2,078,407	-	2,078,407
Other	1,233,523	44,004	1,277,527	1,135,412	48,359	1,183,771
Education Resources	4,231,292	-	4,231,292	3,407,348	-	3,407,348
Investment Income	12,937,803	437,382	13,375,185	14,615,282	467,708	15,082,990
Revenues Before Net Assets Released from Restrictions	59,456,485	481,386	59,937,871	59,623,922	516,067	60,139,989
Satisfaction of Program Restrictions	28,868	(28,868)	-	30,075	(30,075)	-
Appropriation from Endowment Fund	150,996	(150,996)	-	111,880	(111,880)	-
Net Assets Released from Restrictions	179,864	(179,864)	-	141,955	(141,955)	-
<b>Total Revenues</b>	<b>59,636,349</b>	<b>301,522</b>	<b>59,937,871</b>	<b>59,765,877</b>	<b>374,112</b>	<b>60,139,989</b>
<b>EXPENSES AND LOSSES</b>						
Program Expenses:						
Education Programs	9,213,481	-	9,213,481	8,031,172	-	8,031,172
Publications	5,518,348	-	5,518,348	5,191,935	-	5,191,935
Certification and Recertification	6,377,695	-	6,377,695	6,219,024	-	6,219,024
eLearning	4,969,550	-	4,969,550	4,930,827	-	4,930,827
Practice, Research, and Advocacy	3,934,186	-	3,934,186	3,520,503	-	3,520,503
Membership	3,677,492	-	3,677,492	3,169,373	-	3,169,373
Marketing, Communications, and Experience Design	3,925,699	-	3,925,699	3,445,099	-	3,445,099
Education Resources	5,606,158	-	5,606,158	5,041,390	-	5,041,390
Chapters	1,182,048	-	1,182,048	1,026,469	-	1,026,469
Total Program Expenses	44,404,657	-	44,404,657	40,575,792	-	40,575,792
Supporting Expenses:						
General and Administrative	12,659,969	-	12,659,969	11,673,517	-	11,673,517
Board and Volunteers	3,001,799	-	3,001,799	3,218,335	-	3,218,335
Total Supporting Expenses	15,661,768	-	15,661,768	14,891,852	-	14,891,852
<b>Total Expenses</b>	<b>60,066,425</b>	<b>-</b>	<b>60,066,425</b>	<b>55,467,644</b>	<b>-</b>	<b>55,467,644</b>
<b>INCREASE IN NET ASSETS</b>	<b>(430,076)</b>	<b>301,522</b>	<b>(128,554)</b>	<b>4,298,233</b>	<b>374,112</b>	<b>4,672,345</b>
Net Assets - Beginning of Year	132,219,294	4,099,445	136,318,739	127,921,061	3,725,333	131,646,394
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 131,789,218</b>	<b>\$ 4,400,967</b>	<b>\$ 136,190,185</b>	<b>\$ 132,219,294</b>	<b>\$ 4,099,445</b>	<b>\$ 136,318,739</b>

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2025**

	Program									Supporting				
	Education Programs	Certification and Recertification	Publications	eLearning	Education Resources	Practice, Research, and Advisory	Marketing, Communications, and Experience Design	Membership	Chapters	Total Program	General And Administrative	Board and Volunteers	Total Supporting	Total Expenses
Personnel Costs	\$ 1,921,870	\$ 1,318,805	\$ 1,358,706	\$ 2,073,015	\$ 2,022,913	\$ 2,278,492	\$ 5,423,976	\$ 370,584	\$ 375,648	\$ 17,144,009	\$ 17,999,600	\$ 904,592	\$ 18,904,192	\$ 36,048,201
Supplies and Other	386,749	168,774	561,084	111,590	847,037	86,077	329,316	238,448	18,240	2,747,315	4,275,925	97,577	4,373,502	7,120,817
Conference Expense	4,037,625	4,287	23,754	28,658	146,442	15,546	49,391	47,362	159,199	4,512,264	20,878	267,382	288,260	4,800,524
Services and Professional Fees	25,880	2,086,041	186,628	185,700	335,919	20,988	206,866	29,000	157,250	3,234,272	1,703,513	248,811	1,952,324	5,186,596
Amortization and Depreciation	3,955	-	-	103,002	-	-	-	-	-	106,957	1,867,291	-	1,867,291	1,974,248
Journal Printing and Postage	-	-	1,808,802	-	-	-	-	-	-	1,808,802	-	-	-	1,808,802
Travel	239,504	32,277	14,796	10,237	73,837	161,020	52,495	16,817	69,193	670,176	98,191	615,275	713,466	1,383,642
Office Expense	-	-	-	-	-	-	-	-	-	-	729,681	-	729,681	729,681
Royalties	-	213,980	194,721	249,266	-	-	10,362	-	-	668,329	-	-	-	668,329
Scholarships and Grants	24,382	-	-	-	2,500	130,320	-	188,383	-	345,585	-	-	-	345,585
Marketing Allocations	890,213	755,945	232,074	746,999	383,425	-	(4,373,542)	1,364,886	-	-	-	-	-	-
Subtotal	7,530,178	4,580,109	4,380,565	3,508,467	3,812,073	2,692,443	1,698,864	2,255,480	779,530	31,237,709	26,695,079	2,133,637	28,828,716	60,066,425
Allocation of Indirect Costs	1,683,303	1,797,586	1,137,783	1,461,083	1,794,085	1,241,743	2,226,835	1,422,012	402,518	13,166,948	(14,035,110)	868,162	(13,166,948)	-
Total Expenses	\$ 9,213,481	\$ 6,377,695	\$ 5,518,348	\$ 4,969,550	\$ 5,606,158	\$ 3,934,186	\$ 3,925,699	\$ 3,677,492	\$ 1,182,048	\$ 44,404,657	\$ 12,659,969	\$ 3,001,799	\$ 15,661,768	\$ 60,066,425

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	Program									Supporting				
	Education Programs	Certification and Recertification	Publications	eLearning	Education Resources	Practice, Research, and Advisory	Marketing, Communications, and Experience Design	Membership	Chapters	Total Program	General And Administrative	Board and Volunteers	Total Supporting	Total Expenses
Personnel Costs	\$ 1,629,635	\$ 1,295,935	\$ 1,209,863	\$ 2,092,326	\$ 1,932,144	\$ 2,045,189	\$ 4,908,287	\$ 177,899	\$ 278,643	\$ 15,569,921	\$ 16,173,124	\$ 998,802	\$ 17,171,926	\$ 32,741,847
Supplies and Other	379,489	180,172	585,598	94,374	775,600	77,533	308,796	208,003	11,369	2,620,934	4,013,613	96,755	4,110,368	6,731,302
Conference Expense	3,706,863	18,851	20,717	33,690	380,555	21,825	42,639	30,854	153,939	4,409,933	5,424	243,636	249,060	4,658,993
Services and Professional Fees	13,264	2,028,746	204,411	221,829	56,957	4,416	164,939	46,000	157,250	2,897,812	1,188,657	368,262	1,556,919	4,454,731
Amortization and Depreciation	1,653	-	-	185,359	-	-	-	-	-	187,012	1,909,628	-	1,909,628	2,096,640
Journal Printing and Postage	-	-	1,655,434	-	-	-	-	-	-	1,655,434	-	-	-	1,655,434
Travel	157,983	88,468	12,622	27,017	73,516	132,744	53,545	10,464	82,338	638,697	90,556	623,029	713,585	1,352,282
Office Expense	-	-	-	-	-	-	-	-	-	-	756,151	-	756,151	756,151
Royalties	-	179,993	291,756	202,476	-	-	4,331	-	-	678,586	-	-	-	678,586
Scholarships and Grants	-	-	-	-	2,500	178,791	-	160,417	-	341,708	-	-	-	341,708
Marketing Allocations	742,640	752,820	174,618	660,014	343,050	-	(3,918,206)	1,245,064	-	-	-	-	-	-
Subtotal	6,631,527	4,544,985	4,155,019	3,517,085	3,564,322	2,460,498	1,564,331	1,878,701	683,539	29,000,007	24,137,153	2,330,484	26,467,637	55,467,644
Allocation of Indirect Costs	1,399,645	1,674,039	1,036,916	1,413,742	1,477,068	1,060,005	1,880,768	1,290,672	342,930	11,575,785	(12,463,636)	887,851	(11,575,785)	-
Total Expenses	\$ 8,031,172	\$ 6,219,024	\$ 5,191,935	\$ 4,930,827	\$ 5,041,390	\$ 3,520,503	\$ 3,445,099	\$ 3,169,373	\$ 1,026,469	\$ 40,575,792	\$ 11,673,517	\$ 3,218,335	\$ 14,891,852	\$ 55,467,644

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Decrease) Increase in Net Assets	\$ (128,554)	\$ 4,672,345
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	1,974,248	2,096,640
Loss on Disposal or Write-down of Property and Equipment	-	83,758
Realized Gains on Investments	(6,715,816)	(6,594,800)
Unrealized Gain on Investments	(4,594,133)	(6,487,609)
Contributions Restricted for Long-Term Purposes	(20,206)	(23,367)
(Increase) Decrease in Assets:		
Accounts and Interest Receivable - Net	8,610	23,159
Other Receivables	(169,717)	(219,133)
Prepays and Other Assets	(66,081)	(174,729)
Inventories	(46,864)	8,604
Increase in Liabilities:		
Accounts Payable and Accrued Expenses	1,354,583	1,047,122
Deferred Revenue	496,296	1,238,199
Net Cash Used by Operating Activities	(7,907,634)	(4,329,811)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(44,952,831)	(41,031,914)
Proceeds from Sale of Investments	53,611,156	45,667,258
Proceeds from Return of Principal on Government Securities	750,976	585,618
Purchases of Property and Equipment	(613,718)	(217,377)
Net Cash Provided by Investing Activities	8,795,583	5,003,585
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Restricted for Long-Term Purposes	20,206	23,367
Principal Payments on Mortgage Loan	(654,196)	(631,687)
Principal Payments on Finance Lease Liability	(38,845)	(37,286)
Net Cash Used by Financing Activities	(672,835)	(645,606)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	215,114	28,168
Cash and Cash Equivalents - Beginning of Year	14,073,906	14,045,738
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 14,289,020	\$ 14,073,906
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Income Taxes	\$ 4,800	\$ 6,300
Cash Paid for Interest	\$ 589,026	\$ 613,154

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The American Association of Critical-Care Nurses (AACN) is a nonprofit membership association dedicated to creating a healthcare system driven by the needs of patients and families where acute and critical care nurses make their optimal contribution. Its energies are primarily directed at advancing the art and science of critical care nursing and promoting healthy work environments that facilitate comprehensive professional nursing practice for those experiencing actual or potential life-threatening illness or injury.

AACN's primary activities focus on creating, disseminating, and recognizing knowledge that supports the Association's purposes. It establishes standards and curricula for clinical practice and supports research. It provides continuing professional development through live and online education, books, and peer-reviewed journals. It awards continuing professional education scholarships and recognizes professional accomplishments with an extensive national awards program. AACN has 174 affiliated chapters located throughout the United States. These volunteer chapters are not reflected within AACN's financial statements as the chapters' governance is not appointed by AACN.

In 1975, AACN organized an affiliated entity, AACN Certification Corporation (Certification Corporation), to provide comprehensive credentialing for nurses to ensure their practice is consistent with established standards of excellence in caring for acutely and critically ill patients and their families. Certification Corporation accomplishes its mission through providing certification exams and renewal programs for individuals involved in the care of acutely and critically ill patients. AACN is the sole member of Certification Corporation.

In 2006, AACN Property Holdings, LLC (AACN-PH) was incorporated as a wholly owned subsidiary of AACN under the corporate laws of California as a for-profit organization. AACN-PH was established to own, manage, and maintain AACN's real property.

AACN and Certification Corporation each have their own board of directors; however, the organizations share in operating costs (largely salaries and rent/occupancy costs) through the allocation of certain expenses by AACN to Certification Corporation. For the years ended June 30, 2025 and 2024, Certification Corporation's allocated share of operating costs related to the operation of Certification Corporation amounted to \$4,044,325 and \$3,901,132, respectively.

The organizations are collectively referred to as the Association.

**Basis of Presentation and Principles of Consolidation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements of AACN include the accounts of its wholly owned subsidiary, AACN Property Holdings, LLC (inclusively referred to as the Corporation) and the accounts of its Affiliate, AACN Certification Corporation. All significant intercompany balances and transactions have been eliminated in consolidation.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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

**Cash and Cash Equivalents**

The Association considers all cash on hand and on deposit, securities with original maturities of less than three months and money market funds to be cash equivalents.

**Accounts and Other Receivables**

Accounts and other receivables are unsecured and are reported at their outstanding balances, net of an allowance for doubtful accounts. Accounts receivables are presented in the consolidated financial statements net of an allowance for credit losses. The allowance for credit losses is evaluated on a regular basis by the Association's management and is based on historical collection experience, the current and expected economic environment, and the Association's assessment of specific risks associated with each customer. The Association's estimate of the expected credit losses is subject to inherent uncertainty, and actual losses could differ from estimates. The Association maintained an allowance for credit losses of \$36,250 for each of the years ended June 30, 2025 and 2024.

**Investments**

The Association accounts for investments in accordance with accounting standards, which require investments with readily determinable fair value be reported at fair value with gains and losses included in the accompanying consolidated statements of activities.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, accounts and interest receivable – net, other receivables, accounts payable, and accrued expenses approximate fair value because of the short maturity of these financial instruments. Investments are recorded at fair value at year-end.

The Association accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. The Association accounts for certain financial assets and liabilities at fair value under various accounting literature.

**Fair Value Hierarchy**

The Association has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Association has the ability to access.

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

**Fair Value of Financial Instruments (Continued)**

Fair Value Hierarchy (Continued)

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

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

**Inventories**

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value, and consist primarily of AACN’s education and promotional materials sold through its website as well as at select educational conferences.

**Property and Equipment**

Property and equipment are recorded at cost at the date of purchase. The Association capitalizes all individual equipment purchases greater than \$2,000 or aggregated purchases greater than \$5,000. Expenditures such as major repairs and improvements that substantially increase the useful life of existing assets are capitalized at cost and depreciated over the remaining life of the asset. Expenditures for minor repairs and maintenance costs are expensed when incurred. Depreciation is computed using the straight-line method over the estimated useful lives as shown below.

Furniture, Equipment, and Telephone	3 to 7 Years
Computer Software	3 to 5 Years
Leasehold and Building Improvements	3 to 39 Years
Building	39 Years

**Software Development Costs**

Software development costs are capitalized in accordance with accounting standards. Software development costs are amortized on a straight-line basis over the estimated life of the related software of three to five years. Net capitalized software development costs are as follows for the years ended June 30:

	2025	2024
Capitalized Software Development Costs	\$ 5,256,456	\$ 5,248,356
Accumulated Amortization	(5,085,032)	(4,970,132)
Net Capitalized Software Development Costs	\$ 171,424	\$ 278,224

Such amounts are included in property and equipment in the accompanying consolidated statements of financial position.

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

**Deferred Membership Dues, Subscription and eLearning Revenues**

Membership, subscription and eLearning revenues are recognized for financial reporting purposes on a straight-line basis over the period covered for membership, subscription and eLearning licensing periods of up to 36 months.

**Net Assets**

Net assets consist of the following:

*Net Assets Without Donor Restrictions* – Net assets for use in general operations and are not subject to donor-imposed restrictions. Net assets generally result from program revenue, contributions and investment income and gains, less expenses incurred in providing programs and services and other administrative expenses.

Portions of AACN's and Certification Corporation's net assets without donor restrictions have been designated for certain purposes by the board of directors. Details on designated net assets without donor restrictions are as follows:

*Sustaining Fund* – The purpose of the fund is to protect against disruption to AACN's business continuity and operating capital requirements. In April 2021, the board of directors updated the policy to reflect an annual assessment by management of the risks identified to business continuity and needed operating liquidity. For the period ended June 30, 2025 and 2024, the sustaining fund balance totaled \$38,768,900 and \$36,574,600, respectively.

*Infrastructure Fund* – The purpose of the fund is to ensure funds for critical technology infrastructure, critical facility infrastructure and to offset the negative financial impact of a natural disaster. For the periods ended June 30, 2025 and 2024, the fund has been set at \$10,000,000.

*Innovation Fund* – The purpose of the fund is to provide funding of initiatives requiring significant development or start-up costs. For the periods ended June 30, 2025 and 2024, the fund balance amounted to \$10,000,000.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires; that is, when the stipulation time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

**Contributions**

Accounting standards require, among other things, the recognition at fair value of contributions received, including unconditional promises to give, in the period received. All contributions are considered to be available for general use, unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes, are reported as donor restricted support, which increases the net asset with donor restrictions net asset class. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Donations containing a right of return and specific conditional barriers to recognition are not recorded as contributions until the conditions are met.

**Revenue Recognition**

**Membership** – Membership revenue has been recognized over the life of the membership which is anywhere from 12 to 36 months. The Association begins recognition the month after member payments have been received. Membership performance obligations include monthly journals, access to the continuing education (CE) activities library, and discounts on purchases of other products or events.

**Education Programs** – The National Teaching Institute & Critical Care Exposition (NTI) derives revenue primarily from individual registrations and exhibitor fees. The performance obligations are considered to have been provided to the customer at the time of the meeting.

**E-Learning** – eLearning revenue is derived from both individual customer sales as well as distribution partners who host Association courses through their own learning management systems (LMS). For individual customer sales the Association recognizes course sales and LMS site fees over the life of the site license which corresponds to the customer's right to access the information. Added course sales are amortized over the remaining life of the site license as well. Customers are required to have a site license to have access to the course content. This amortization over the life of the site again tries to match our recognition of revenue with our performance obligations under the contracts. For distribution partner royalties, we recognize the revenue upon receipt of funds. Obligations have been satisfied by Association content being made available to these partners. Distribution partner sales are considered a right to use royalty.

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

**Revenue Recognition (Continued)**

**Education Resources** – Education resources include three material sources of revenue – Beacon Award registration revenue, Bookstore revenue, and the digital Certification practice exam question product. Beacon Award is a program where payment is received when the unit purchases an application that contains quantitative and qualitative questions the unit must respond to that demonstrate unit excellence based upon specific criteria. The qualitative responses are reviewed by Beacon volunteers; qualitative scores, along with quantitative data analysis, determine whether the unit meets the criteria for a Gold/Silver/Bronze award. A report of unit performance with comparisons and suggested improvements is provided back to the unit. Revenue is amortized over a four-month timeframe as the application works through the review process, which cycles at an average timeline of four months. Bookstore revenue is the shipping of educational products (or providing downloaded digital products) in exchange for the transaction price. The Association satisfies the performance obligation in the customer contract once products are shipped or access is provided. Certification practice exam revenue is amortized over the time the purchaser has access to the product, ranging from 1-6 months.

**Publications** – Publications revenue is derived from advertising revenue, subscriptions to journals, and royalties from sales of AACN books. Advertising revenue is recognized in the month that the ad runs in the journal or is attached to a web page or email blast. The performance obligation is satisfied when the advertisements are run based on the contract. Subscription revenue is recognized over the subscription period as the performance obligation is satisfied. Each month the Association ships a journal (or the content is available on AACN's hosted website), that portion of the obligation has been satisfied and that percentage of the associated revenue is recognized. Book royalties are received semi-annually and are recognized as revenue as they have been earned through book sales and use of content on nurse competency websites. AACN is passive in this earned income.

**Certification Fees** – Certification revenue includes two performance obligations: application and testing. Revenue is allocated to these obligations and revenue is recognized at the time of registration and testing, respectively.

**Recertification Fees** – Recertification fees or renewal fees are recorded as received. The renewal period is anywhere from 3 to 5 years, but the performance obligation is to review the renewal application and ensure the nurse has met the CE and bedside hour requirements to maintain the certification. Random audits are performed by the Association of the supporting documentation that certified nurses attest to. The Association's handbook for renewals states that renewal fees are for processing and are nonrefundable.

**Other Revenue** – Other revenue includes office space leasing income, donations, list rental, and program approval. These are all areas where revenue is recognized when the performance obligation is completed.

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

**Functional Allocation of Expense**

The costs of programs and supporting services activities have been summarized on a functional basis in the accompanying consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated based on department salaries among the program and supporting services benefited. The allocated costs include: facilities, meetings, mailing services, information technology, community insights, business strategy, and customer services.

**Income Taxes**

AACN is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and rulings of the California Franchise Tax Board. Certain unrelated business income is subject to taxation.

AACN Certification Corporation is an organization that is primarily exempt from federal and state income taxes under code section 501(c)(6) and rulings of the California Franchise Tax Board. Certain unrelated business income is subject to taxation.

AACN-PH, as a wholly owned limited liability company, is treated as a disregarded entity for federal income tax purposes. For income tax reporting purposes, the activities of AACN-PH are reported as part of the activities of AACN.

The Association follows the accounting standard regarding the recognition and measurement of uncertain tax positions. The Association evaluated its tax positions and determined that its positions are more likely than not to be sustained on examination. The Association's tax returns are subject to review and examination by federal and state authorities.

**Uniform Prudent Management of Institutional Funds Act (UPMIFA)**

UPMIFA provides guidance on the classification of endowment fund net assets for states that have enacted versions of UPMIFA and enhances disclosures for endowment funds. Under UPMIFA all unappropriated endowment fund assets are considered restricted.

**Use of Estimates**

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

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

**Subsequent Events**

In preparing these consolidated financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 9, 2025, the date the consolidated financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the consolidated statements of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 14,289,020	\$ 14,073,906
Accounts and Interest Receivable - Net	204,392	213,002
Other Receivables	<u>1,808,757</u>	<u>1,639,040</u>
Total Financial Assets	16,302,169	15,925,948
Investments Appropriated for Current Use	4,795,776	5,526,436
Donor-Restricted Net Assets	<u>(4,400,967)</u>	<u>(4,099,445)</u>
Financial Assets Available for Expenditure Within One Year	<u><u>\$ 16,696,978</u></u>	<u><u>\$ 17,352,939</u></u>

The Association holds investments for long-term purposes of \$122,059,447 and \$120,158,798 as of June 30, 2025 and 2024, respectively, which include donor-restricted assets. Although the Association does not intend to spend from investments other than the amount budgeted during its annual budget approval and appropriation, amounts from its investment could be made available, if necessary.

**NOTE 3 CONCENTRATIONS OF RISK**

**Credit Risk**

Financial instruments, which subject the Association to a concentration of credit risk, consist of demand deposits placed with financial institutions, which may at times, exceed federally insured limits. At June 30, 2025 and 2024, the Association's cash balances exceeded federally insured limits by \$2,352,112 and \$2,061,170, respectively. The Association does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

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**NOTE 3 CONCENTRATIONS OF RISK (CONTINUED)**

**Market Value Risk**

The Association invests in a variety of investment vehicles. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

**NOTE 4 ACCOUNTS, INTEREST, AND OTHER RECEIVABLES**

Accounts, interest, and other receivables consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Sales and Other Income from Contracts with Customers	\$ 448,812	\$ 283,095
Royalties from Contracts with Customers	1,315,781	1,357,703
Interest Receivable	128,415	124,795
Other Contracts with Customers	<u>156,391</u>	<u>122,699</u>
Total	2,049,399	1,888,292
Less: Allowance for Doubtful Accounts	<u>36,250</u>	<u>36,250</u>
Accounts, Interest, and Other Receivables, Net	<u><u>\$ 2,013,149</u></u>	<u><u>\$ 1,852,042</u></u>

Accounts receivable from contracts with customers was \$1,656,068 as of June 30, 2023.

**NOTE 5 INVESTMENTS**

Investments are recorded at readily determinable fair values and consist of the following at June 30:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity Securities	\$ 38,248,296	\$ 52,744,289	\$ 40,552,832	\$ 54,190,263
Mutual Funds	30,197,901	31,405,379	31,824,400	30,970,407
U.S. Treasury Securities	11,834,144	11,424,917	10,653,021	9,791,687
Other Government Securities	3,832,631	3,647,886	3,633,339	3,366,055
Corporate Bonds	3,457,359	3,490,947	4,825,277	4,735,602
Market Linked Securities	<u>16,647,178</u>	<u>19,270,950</u>	<u>15,429,308</u>	<u>17,036,888</u>
Total	104,217,508	121,984,368	106,918,177	120,090,902
Deferred Compensation Assets	<u>60,600</u>	<u>75,079</u>	<u>60,600</u>	<u>67,896</u>
Total Investments	<u><u>\$ 104,278,108</u></u>	<u><u>\$ 122,059,447</u></u>	<u><u>\$ 106,978,777</u></u>	<u><u>\$ 120,158,798</u></u>

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**NOTE 5 INVESTMENTS (CONTINUED)**

Investment income was comprised of the following for the years ended June 30:

	2025	2024
Realized Gain	\$ 6,715,816	\$ 6,594,800
Unrealized Gain	4,594,133	6,487,609
Interest and Dividends	3,001,998	2,906,434
Investment Fees	(936,762)	(905,853)
Total	<u>\$ 13,375,185</u>	<u>\$ 15,082,990</u>

The following tables present the Association's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Equity Securities	\$ 52,744,289	\$ -	\$ -	\$ 52,744,289
Mutual Funds	31,405,379	-	-	31,405,379
U.S. Treasury Securities	11,424,917	-	-	11,424,917
Other Government Securities	3,647,886	-	-	3,647,886
Corporate Bonds	3,490,947	-	-	3,490,947
Market Linked Securities	-	-	19,270,950	19,270,950
Total	<u>102,713,418</u>	<u>-</u>	<u>19,270,950</u>	<u>121,984,368</u>
Deferred Compensation Assets	75,079	-	-	75,079
Total Investments	<u>\$ 102,788,497</u>	<u>\$ -</u>	<u>\$ 19,270,950</u>	<u>\$ 122,059,447</u>

  

	2024			
	Level 1	Level 2	Level 3	Total
Equity Securities	\$ 54,190,263	\$ -	\$ -	\$ 54,190,263
Mutual Funds	30,970,407	-	-	30,970,407
U.S. Treasury Securities	9,791,687	-	-	9,791,687
Other Government Securities	3,366,055	-	-	3,366,055
Corporate Bonds	4,735,602	-	-	4,735,602
Market Linked Securities	-	-	17,036,888	17,036,888
Total	<u>103,054,014</u>	<u>-</u>	<u>17,036,888</u>	<u>120,090,902</u>
Deferred Compensation Assets	67,896	-	-	67,896
Total Investments	<u>\$ 103,121,910</u>	<u>\$ -</u>	<u>\$ 17,036,888</u>	<u>\$ 120,158,798</u>

**Market Linked Investments**

The Association invests in market-linked structured notes issued by various financial institutions. These instruments are designed to provide returns based on the performance of specified underlying indices, equities, or baskets of assets. The notes are generally unsecured obligations of the issuing banks and are subject to the credit risk of the issuer.

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**NOTE 5 INVESTMENTS (CONTINUED)**

**Market Linked Investments (Continued)**

*Valuation Methodology*

The Association classifies these investments as Level 3 within the fair value hierarchy due to the use of significant unobservable inputs in the valuation process. Fair value is determined using the issuer's internal models, considering factors like:

- Internal funding rate
- Market conditions
- Volatility, interest rates, dividend assumptions
- Hedging costs

The fair value of the Association's Level 3 market-linked investments is subject to significant estimation uncertainty due to reliance on unobservable inputs such as volatility, correlation, and credit spreads inputs of which are sensitive to variability. Different assumptions could significantly change fair value.

*Redemption Terms*

- Investor Redemption: Most market-linked notes do not provide for early redemption at the option of the investor. Investors generally must hold the notes to maturity unless they sell in the secondary market, which may be limited or illiquid.
- Optional Repayment Features: Certain series may allow optional repayment on specified dates prior to maturity, subject to advance notice (typically 20–60 days) and minimum denominations (generally \$1,000).
- Issuer Redemption: Issuers may redeem notes prior to maturity under certain conditions, such as tax law changes or regulatory requirements.
- Bail-in Provisions: Notes issued by Canadian banks are subject to bail-in conversion under applicable regulations.

*Liquidity and Restrictions*

There is no active secondary market for most of these instruments, and the Association may not be able to redeem its investment until maturity. The contractual maturities of these notes generally range from 1 to 7 years.

*Purchases of Market Linked Investments*

Purchases of Market linked investments totaled \$4,880,000 and \$8,360,000 for the years ended June 30, 2025 and 2024, respectively.

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**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Furniture and Fixtures	\$ 1,678,024	\$ 1,677,218
Equipment	1,385,964	1,449,704
Leasehold Improvements	11,985,287	11,685,287
Computer Software	5,924,369	5,921,753
Land, Building, and Building Improvements	<u>31,754,567</u>	<u>31,754,567</u>
Total Property and Equipment	52,728,211	52,488,529
Less: Accumulated Depreciation and Amortization	<u>(15,379,481)</u>	<u>(13,779,268)</u>
Property and Equipment, Net	<u>\$ 37,348,730</u>	<u>\$ 38,709,261</u>

**NOTE 7 DEFERRED REVENUE FROM CONTRACTS WITH CUSTOMERS**

The deferred revenue reported in the consolidated statement of financial position is derived from revenue from contracts with customers. Deferred revenue from contracts with customers as of June 30, 2025, 2024, and 2023, were \$14,110,219, \$13,613,923, and \$12,375,724, respectively.

**NOTE 8 NOTE PAYABLE**

In April 2019, the Association purchased a three-building complex that serves as its headquarters site. At closing, the Association executed a \$21,000,000 mortgage loan secured by the real property amortized over 25 years with equal payments of \$102,604 over 119 months with all unpaid principal and interest due May 1, 2029. The interest rate is fixed at 3.21%. Amounts of future maturities are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 675,807
2027	698,133
2028	719,801
2029	<u>15,279,788</u>
Total	<u>\$ 17,373,529</u>

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**NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table shows the Association's contract revenue disaggregated according to the timing of the transfer of goods or services that follows the guidance of ASU 2014-09, *Revenue from Contracts with Customers*:

	<u>2025</u>	<u>2024</u>
Products Transferred at Point in Time:		
Education Programs	\$ 7,293,587	\$ 6,986,056
E-Learning	5,290,345	6,032,272
Education Resources	1,303,103	1,368,905
Publications	1,473,216	1,513,838
Certification Fees	175,299	160,700
Recertification Fees	4,888,420	4,802,095
Other	279,734	256,112
Total	<u>\$ 20,703,704</u>	<u>\$ 21,119,977</u>
Products and Services Transferred Over Time:		
Memberships	\$ 9,818,366	\$ 9,493,240
E-Learning	3,408,552	3,370,351
Education Resources	2,928,189	2,081,791
Publications	623,841	564,569
Certification Fees	8,003,975	7,405,180
Total	<u>\$ 24,782,923</u>	<u>\$ 22,915,131</u>

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**NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specific Purposes:		
Research	\$ 685	\$ 685
Chapters	3,460	17,161
Membership	62,768	54,137
Subtotal	<u>66,913</u>	<u>71,983</u>
Subject to the Association's Spending Policy and Appropriation:		
Scholarships	1,592,666	1,306,280
Subject to be Held in Perpetuity	2,741,388	2,721,182
Total Net Assets with Donor Restriction	<u>\$ 4,400,967</u>	<u>\$ 4,099,445</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by donors as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Purpose Restriction Accomplished:		
Research	\$ 12,207	\$ 15,012
Chapters	16,661	15,063
Subtotal	<u>28,868</u>	<u>30,075</u>
Release of Appropriated Endowment Funds for Scholarships	150,996	111,880
Total Restrictions Released	<u>\$ 179,864</u>	<u>\$ 141,955</u>

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**NOTE 11 ENDOWMENT**

AACN has a donor-restricted endowment fund established for the purposes of providing income for scholarships. As required by GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of AACN has interpreted the state's 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 fund absent explicit donor stipulations to the contrary. As a result of this interpretation, AACN classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment maintained in perpetuity, (b) the original value of subsequent gifts to the endowment maintained in perpetuity, and (c) accumulations to the endowment maintained in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The following is a summary of endowment funds subject to UPMIFA for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2023	\$ -	\$ 3,648,267	\$ 3,648,267
Investment Return:			
Investment Income	-	84,187	84,187
Net Realized and Unrealized Gain	-	383,521	383,521
Total Investment Return	-	467,708	467,708
Contributions	-	23,367	23,367
Appropriations of Endowment:			
Scholarships Funded	-	(111,880)	(111,880)
Endowment Net Assets - June 30, 2024	-	4,027,462	4,027,462
Investment Return:			
Investment Income	-	87,914	87,914
Net Realized and Unrealized Gain	-	349,468	349,468
Total Investment Return	-	437,382	437,382
Contributions	-	20,206	20,206
Appropriations of Endowment:			
Scholarships Funded	-	(150,996)	(150,996)
Endowment Net Assets - June 30, 2025	<u>\$ -</u>	<u>\$ 4,334,054</u>	<u>\$ 4,334,054</u>

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**NOTE 11 ENDOWMENT (CONTINUED)**

**Investment Objectives and Strategies**

To ensure preservation of its long-term endowment investments, the board of AACN established an investment policy which reflects a total return policy. Total return is defined as a combination of realized and unrealized capital appreciation, including the reinvestment of interest and dividend income. The investment objective is focused on diversification of investments across various asset classes and numerous industries and sectors to minimize volatility and risk.

**Spending Policy**

AACN adopted a spending policy during the year ended June 30, 2012. This spending policy is reviewed annually by the AACN Board of Directors. The Board may adjust the spending rate percentage as it deems appropriate, but in no event shall the spending rate percentage be lower than two and a half percent (2.5%) or higher than seven (7.0%). The funds available for distribution for the years ended June 30, 2025 and 2024, totaled \$372,536 and \$302,668, respectively.

**NOTE 12 RENTAL INCOME UNDER OPERATING LEASES**

The Association has operating leases with various tenants under noncancelable agreements which expire at various times through 2031. The agreements call for annual fixed rental increases.

Future minimum payments for the years ending June 30 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 730,197
2027	709,878
2028	731,174
2029	753,109
2030	775,703
Thereafter	798,974
Total	<u>\$ 4,499,035</u>

**NOTE 13 RETIREMENT PLAN**

AACN has a 401(k) defined contribution retirement plan (the Plan) covering all employees meeting specific minimum employment requirements. The employee's voluntary contribution is limited based on current Internal Revenue Service guidelines. Vesting in the Plan is immediate at the time an employee becomes eligible to participate. Benefit payments are available upon retirement, termination, or other approved purposes.

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 13 RETIREMENT PLAN (CONTINUED)**

AACN's annual contribution to the Plan is at the discretion of the board of directors. On September 2, 2010, the board of directors revised the Plan to reflect that AACN will contribute up to 7.5% of employee compensation through matching and discretionary contributions. At June 30, 2025 and 2024, contributions to the Plan by AACN totaled \$1,824,110 and \$1,633,919, respectively.

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**Equipment Leases**

AACN leases equipment under long-term finance leases. Future minimum rental commitments under the long-term finance leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 52,563
2027	52,563
2028	35,045
Total	<u>140,171</u>
Less: Amount Representing Interest	(20,511)
Total Present Value of Leases	<u><u>\$ 119,660</u></u>

The net book value of the leased equipment is as follows at June 30:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 245,000	\$ 245,000
Less: Accumulated Depreciation	(136,667)	(95,833)
Net Book Value	<u><u>\$ 108,333</u></u>	<u><u>\$ 149,167</u></u>

**Hotel Commitments**

AACN has entered into several agreements with hotels providing for room accommodations for its meetings and conferences through 2032. Some of these agreements contain clauses whereby AACN is liable for liquidated damages in the event of cancellation.

**Contingencies**

The Association is subject to certain legal proceedings arising in the normal course of business. Management believes that any potential losses from such matters will be covered by insurance, and does not expect these matters to have a material effect on the Association's financial position or results of operations.



## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
American Association of Critical-Care Nurses  
and Subsidiary and Affiliate  
Aliso Viejo, California

We have audited the consolidated financial statements of American Association of Critical-Care Nurses and Subsidiary and Affiliate as of and for the years ended June 30, 2025 and 2024, and have issued our report thereon dated October 9, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
October 9, 2025

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	2025					2024				
	AACN	AACN-PH	Certification Corporation	Eliminations	Consolidated	AACN	AACN-PH	Certification Corporation	Eliminations	Consolidated
<b>ASSETS</b>										
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	\$ 8,219,802	\$ 485,366	\$ 5,583,852	\$ -	\$ 14,289,020	\$ 6,125,338	\$ 433,491	\$ 7,515,077	\$ -	\$ 14,073,906
Accounts and Interest Receivable - Net of Allowance for Credit Loss of \$36,250 for 2025 and 2024	136,794	4,666	62,932	-	204,392	167,391	3,558	42,053	-	213,002
Other Receivables	1,446,649	362,108	-	-	1,808,757	1,416,861	222,179	-	-	1,639,040
Prepays and Other Assets	1,624,841	264,728	4,595	-	1,894,164	1,532,784	295,299	-	-	1,828,083
Due from Certification Corporation	130,309	-	-	(130,309)	-	18,910	-	-	(18,910)	-
Inventories	293,059	-	-	-	293,059	246,195	-	-	-	246,195
Due from AACN	-	-	-	-	-	-	-	-	-	-
Due from AACN-PH	19,700,047	-	-	(19,700,047)	-	18,939,050	-	-	(18,939,050)	-
Total Current Assets	31,551,501	1,116,868	5,651,379	(19,830,356)	18,489,392	28,446,529	954,527	7,557,130	(18,957,960)	18,000,226
<b>INVESTMENTS</b>	62,997,626	-	59,061,821	-	122,059,447	73,781,497	-	46,377,301	-	120,158,798
<b>PROPERTY AND EQUIPMENT, NET</b>	1,036,555	36,312,175	-	-	37,348,730	1,259,814	37,449,447	-	-	38,709,261
Total Assets	<u>\$ 95,585,682</u>	<u>\$ 37,429,043</u>	<u>\$ 64,713,200</u>	<u>\$ (19,830,356)</u>	<u>\$ 177,897,569</u>	<u>\$ 103,487,840</u>	<u>\$ 38,403,974</u>	<u>\$ 53,934,431</u>	<u>\$ (18,957,960)</u>	<u>\$ 176,868,285</u>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES</b>										
Accounts Payable and Accrued Expenses	\$ 9,700,955	\$ 148,399	\$ 254,622	\$ -	\$ 10,103,976	\$ 8,331,377	\$ 183,629	\$ 234,387	\$ -	\$ 8,749,393
Due to Certification Corporation/AACN	-	19,700,047	130,309	(19,830,356)	-	-	18,939,050	18,910	(18,957,960)	-
Deferred Certification Fee Revenue	-	-	2,866,592	-	2,866,592	-	-	2,482,919	-	2,482,919
Deferred Membership Dues	4,928,588	-	-	-	4,928,588	4,937,658	-	-	-	4,937,658
Deferred eLearning Revenue	1,101,315	-	-	-	1,101,315	1,589,780	-	-	-	1,589,780
Deferred Subscription Revenue	119,794	-	-	-	119,794	123,827	-	-	-	123,827
Finance Lease Liability, Current Portion	41,415	-	-	-	41,415	38,846	-	-	-	38,846
Other Deferred Revenue	2,072,024	-	303,139	-	2,375,163	1,607,829	13,416	259,771	-	1,881,016
Note Payable, Current Portion	-	675,734	-	-	675,734	-	654,268	-	-	654,268
Total Current Liabilities	17,964,091	20,524,180	3,554,662	(19,830,356)	22,212,577	16,629,317	19,790,363	2,995,987	(18,957,960)	20,457,707
<b>NONCURRENT LIABILITIES</b>										
Deferred Membership Dues	2,180,391	-	-	-	2,180,391	2,232,048	-	-	-	2,232,048
Deferred eLearning Revenue	525,328	-	-	-	525,328	357,161	-	-	-	357,161
Deferred Subscription Revenue	13,048	-	-	-	13,048	9,514	-	-	-	9,514
Finance Lease Liability, Net of Current Portion	78,245	-	-	-	78,245	119,659	-	-	-	119,659
Note Payable, Net of Current Portion	-	16,697,795	-	-	16,697,795	-	17,373,457	-	-	17,373,457
Total Noncurrent Liabilities	2,797,012	16,697,795	-	-	19,494,807	2,718,382	17,373,457	-	-	20,091,839
Total Liabilities	20,761,103	37,221,975	3,554,662	(19,830,356)	41,707,384	19,347,699	37,163,820	2,995,987	(18,957,960)	40,549,546
<b>NET ASSETS</b>										
Without Donor Restrictions:										
Undesignated	20,448,712	207,068	52,364,538	-	73,020,318	30,824,896	1,240,154	43,579,644	-	75,644,694
Sustaining Fund	29,974,900	-	8,794,000	-	38,768,900	29,215,800	-	7,358,800	-	36,574,600
Infrastructure Fund	10,000,000	-	-	-	10,000,000	10,000,000	-	-	-	10,000,000
Innovation Fund	10,000,000	-	-	-	10,000,000	10,000,000	-	-	-	10,000,000
Total Without Donor Restrictions	70,423,612	207,068	61,158,538	-	131,789,218	80,040,696	1,240,154	50,938,444	-	132,219,294
With Donor Restrictions:										
Purpose Restrictions	1,659,579	-	-	-	1,659,579	1,378,263	-	-	-	1,378,263
Scholarship Endowment Fund	2,741,388	-	-	-	2,741,388	2,721,182	-	-	-	2,721,182
Total With Donor Restrictions	4,400,967	-	-	-	4,400,967	4,099,445	-	-	-	4,099,445
Total Net Assets	74,824,579	207,068	61,158,538	-	136,190,185	84,140,141	1,240,154	50,938,444	-	136,318,739
Total Liabilities and Net Assets	<u>\$ 95,585,682</u>	<u>\$ 37,429,043</u>	<u>\$ 64,713,200</u>	<u>\$ (19,830,356)</u>	<u>\$ 177,897,569</u>	<u>\$ 103,487,840</u>	<u>\$ 38,403,974</u>	<u>\$ 53,934,431</u>	<u>\$ (18,957,960)</u>	<u>\$ 176,868,285</u>

**AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES  
AND SUBSIDIARY AND AFFILIATE  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2025 AND 2024  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	2025						2024					
	AACN		AACN-PH	Certification Corporation	Eliminations	Consolidated	AACN		AACN-PH	Certification Corporation	Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions			Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		
<b>REVENUES AND OTHER PROCEEDS</b>												
eLearning	\$ 8,698,897	\$ -	\$ -	\$ -	\$ -	\$ 8,698,897	\$ 9,402,623	\$ -	\$ -	\$ -	\$ -	\$ 9,402,623
Membership	9,896,632	-	-	-	-	9,896,632	9,552,819	-	-	-	-	9,552,819
Education Programs	7,311,362	-	-	-	(17,775)	7,293,587	7,006,531	-	-	(20,475)	-	6,986,056
Certification Fees	-	-	-	8,096,414	82,860	8,179,274	-	-	-	7,565,880	78,000	7,643,880
Recertification Fees	-	-	-	4,888,420	-	4,888,420	-	-	-	4,802,095	-	4,802,095
Publications	2,097,057	-	-	-	-	2,097,057	2,078,407	-	-	-	-	2,078,407
Other	199,749	44,004	2,400,340	25,507	(1,392,073)	1,277,527	189,546	48,359	2,511,340	18,724	(1,584,198)	1,183,771
Education Resources	2,885,137	-	-	1,429,015	(82,860)	4,231,292	2,306,079	-	-	1,179,269	(78,000)	3,407,348
Investment Income	6,907,634	437,382	-	6,030,169	-	13,375,185	8,654,883	467,708	-	5,960,399	-	15,082,990
Revenues Before Net Assets Released from Restrictions	37,996,468	481,386	2,400,340	20,469,525	(1,409,848)	59,937,871	39,190,888	516,067	2,511,340	19,526,367	(1,604,673)	60,139,989
Satisfaction of Program Restrictions	28,868	(28,868)	-	-	-	-	30,075	(30,075)	-	-	-	-
Appropriation from Endowment Fund	150,996	(150,996)	-	-	-	-	111,880	(111,880)	-	-	-	-
Net Assets Released from Restrictions	179,864	(179,864)	-	-	-	-	141,955	(141,955)	-	-	-	-
<b>Total Revenues and Other Proceeds</b>	<b>38,176,332</b>	<b>301,522</b>	<b>2,400,340</b>	<b>20,469,525</b>	<b>(1,409,848)</b>	<b>59,937,871</b>	<b>39,332,843</b>	<b>374,112</b>	<b>2,511,340</b>	<b>19,526,367</b>	<b>(1,604,673)</b>	<b>60,139,989</b>
<b>EXPENSES AND LOSSES</b>												
Program Expenses:												
Education Programs	9,213,481	-	-	-	-	9,213,481	8,031,172	-	-	-	-	8,031,172
Publications	5,518,348	-	-	-	-	5,518,348	5,191,935	-	-	-	-	5,191,935
Certification and Recertification	-	-	-	6,377,695	-	6,377,695	-	-	-	6,219,024	-	6,219,024
eLearning	4,969,550	-	-	-	-	4,969,550	4,930,827	-	-	-	-	4,930,827
Practice, Research and Advocacy	3,934,186	-	-	-	-	3,934,186	3,520,503	-	-	-	-	3,520,503
Education Resources	5,617,367	-	-	-	(11,209)	5,606,158	5,053,732	-	-	-	(12,342)	5,041,390
Membership	3,677,492	-	-	-	-	3,677,492	3,169,373	-	-	-	-	3,169,373
Marketing, Communications, and Experience Design	3,735,407	-	-	190,292	-	3,925,699	3,314,643	-	-	130,456	-	3,445,099
Chapters	1,199,823	-	-	-	(17,775)	1,182,048	1,046,944	-	-	-	(20,475)	1,026,469
<b>Total Program Expenses</b>	<b>37,865,654</b>	<b>-</b>	<b>-</b>	<b>6,567,987</b>	<b>(28,984)</b>	<b>44,404,657</b>	<b>34,259,129</b>	<b>-</b>	<b>-</b>	<b>6,349,480</b>	<b>(32,817)</b>	<b>40,575,792</b>
Supporting Expenses:												
General and Administrative	7,767,014	-	3,433,426	2,840,393	(1,380,864)	12,659,969	6,886,493	-	3,525,646	2,833,234	(1,571,856)	11,673,517
Board and Volunteers	2,160,748	-	-	841,051	-	3,001,799	2,335,233	-	-	883,102	-	3,218,335
<b>Total Supporting Expenses</b>	<b>9,927,762</b>	<b>-</b>	<b>3,433,426</b>	<b>3,681,444</b>	<b>(1,380,864)</b>	<b>15,661,768</b>	<b>9,221,726</b>	<b>-</b>	<b>3,525,646</b>	<b>3,716,336</b>	<b>(1,571,856)</b>	<b>14,891,852</b>
<b>Total Expenses</b>	<b>47,793,416</b>	<b>-</b>	<b>3,433,426</b>	<b>10,249,431</b>	<b>(1,409,848)</b>	<b>60,066,425</b>	<b>43,480,855</b>	<b>-</b>	<b>3,525,646</b>	<b>10,065,816</b>	<b>(1,604,673)</b>	<b>55,467,644</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(9,617,084)</b>	<b>301,522</b>	<b>(1,033,086)</b>	<b>10,220,094</b>	<b>-</b>	<b>(128,554)</b>	<b>(4,148,012)</b>	<b>374,112</b>	<b>(1,014,306)</b>	<b>9,460,551</b>	<b>-</b>	<b>4,672,345</b>
Net Assets - Beginning of Year	80,040,696	4,099,445	1,240,154	50,938,444	-	136,318,739	84,188,708	3,725,333	2,254,460	41,477,893	-	131,646,394
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 70,423,612</b>	<b>\$ 4,400,967</b>	<b>\$ 207,068</b>	<b>\$ 61,158,538</b>	<b>\$ -</b>	<b>\$ 136,190,185</b>	<b>\$ 80,040,696</b>	<b>\$ 4,099,445</b>	<b>\$ 1,240,154</b>	<b>\$ 50,938,444</b>	<b>\$ -</b>	<b>\$ 136,318,739</b>



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