

**Nurses Educational Funds, Inc.**

**Financial Statements**

**As of and for the Year Ended  
August 31, 2024**

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## **Independent Accountant's Review Report**

To the Board of Directors of  
Nurses Educational Funds, Inc.  
Brooklyn, New York

We have reviewed the accompanying financial statements of Nurses Educational Funds, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Nurses Educational Funds, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Torrillo & Associates, LLC*

April 28, 2025

**Nurses Educational Funds, Inc.**  
**Statement of Financial Position**  
**As of August 31, 2024 (See Independent Accountant's Review Report)**

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	<u>2024</u>
<b>Assets:</b>	
Current	
Cash and cash equivalents	\$ 671,657
Investments	3,441,559
Prepaid expenses	3,633
Total current assets	<u>4,116,849</u>
Equipment, net	1,576
Intangible assets – website development costs, net	230
Total assets	<u>4,118,655</u>
<b>Liabilities:</b>	
Current	
Scholarships payable	10,000
Accounts payable	12,525
Total current liabilities and total liabilities	<u>22,525</u>
<b>Net assets:</b>	
Without donor restrictions, undesignated	4,040,155
With donor restrictions	55,975
Total net assets	<u>4,096,130</u>
	<u>4,118,655</u>
Total liabilities and net assets	<u>\$ 4,118,655</u>

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

**Nurses Educational Funds, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended August 31, 2024**  
**(See Independent Accountant's Review Report)**

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	<u>2024</u>
Changes in net assets without donor restrictions	
Revenues and gains	
Public support-contributions of cash and other financial assets	\$ 195,769
Gala event	46,325
Dividend income	102,217
Interest income	21,975
Realized gain on securities, net	182,300
Change in unrealized gain (loss) on securities	304,017
Investment fees	(532)
Investment return, net	<u>609,977</u>
Total revenues and gains without donor restrictions	<u>852,071</u>
Net assets released from donor restrictions	<u>7,000</u>
Total revenues, gains and other support without donor restrictions	859,071
Expenses	
Program services	
Scholarship program	<u>381,572</u>
Total program services	381,572
Supporting services	
Management and general	57,390
Fundraising	<u>27,271</u>
Total supporting services	<u>84,661</u>
Total expenses	<u>466,233</u>
Total change in net assets without donor restrictions	392,838
Changes in net assets with donor restrictions	
Investment return, net	1,923
Net assets released from donor restrictions	<u>(7,000)</u>
Total change in net assets with donor restrictions	<u>(5,077)</u>
Total change in net assets	387,761
Net assets	
Beginning of year	<u>3,708,369</u>
End of year	<u><u>\$ 4,096,130</u></u>

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

**Nurses Educational Funds, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2024**  
**(See Independent Accountant's Review Report)**

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	Program Services Scholarships	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Program scholarships	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
Salaries and wages	68,849	68,849	7,745	9,467	17,212	86,061
Professional fees	-	-	28,210	-	28,210	28,210
Payroll taxes	5,857	5,857	659	805	1,464	7,321
Website & internet	6,866	6,866	5,645	2,746	8,391	15,257
Insurance	-	-	2,463	-	2,463	2,463
Postage and delivery	-	-	6,318	-	6,318	6,318
Events and rentals	-	-	-	13,097	13,097	13,097
Filing fee	-	-	275	-	275	275
Office expense and supplies	-	-	3,030	-	3,030	3,030
Bank and PayPal charges	-	-	-	726	726	726
Depreciation	-	-	-	430	430	430
Amortization	-	-	3,045	-	3,045	3,045
Total expenses	<u>\$ 381,572</u>	<u>\$ 381,572</u>	<u>\$ 57,390</u>	<u>\$ 27,271</u>	<u>\$ 84,661</u>	<u>\$ 466,233</u>

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

**Nurses Educational Funds, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2024**  
**(See Independent Accountant's Review Report)**

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	<u>2024</u>
<b>Cash flows from operating activities</b>	
Change in net assets	\$ 387,761
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	430
Amortization	3,045
Net unrealized/realized (gain) loss on investments	(486,317)
Change in assets and liabilities	
Prepaid expenses	140
Scholarships payable	4,000
Accounts payable	(15,652)
Net cash used in operating activities	<u>(106,593)</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of investments	<u>288,044</u>
Net cash provided by investing activities	<u>288,044</u>
 Net increase in cash and cash equivalents	 181,451
<b>Cash and cash equivalents</b>	
Beginning of year	<u>490,206</u>
End of year	<u>\$ 671,657</u>

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

**Nurses Educational Funds, Inc.**  
**Notes to Financial Statements**  
**As of and for the Year Ended August 31, 2024**  
**(See Independent Accountant's Review Report)**

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**1. Nature of Organization**

Nurses Educational Funds, Inc. (the "Organization") is a not-for-profit charitable organization. The Organization seeks and distributes funds to registered nurses for graduate study. The Organization is administered by a board of directors comprised of prominent leaders in nursing, business, and other professions.

**2. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Organization are as follows:

**Basis for Accounting**

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Net Assets**

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset categories is as follows:

Net assets without donor restrictions are those amounts that are available for use in carrying out the supporting activities of the Organization and are not subject to donor-imposed stipulations. There were no board designations of net assets without donor restrictions as of August 31, 2024.

Net assets with donor restrictions are those amounts that are subject to donor-imposed stipulations. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of revenues, expenses and changes in net assets as net assets released from donor restrictions. The Organization had \$55,975 of net assets with donor restrictions as of August 31, 2024. See Note 5 for discussion of net assets with donor restrictions.

**Liquidity**

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and highly liquid investments with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. No carrying amounts or bank balances as of August 31, 2024 were in excess of the maximum amount (\$250,000) covered by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk on cash. The Organization includes short-term U.S. Treasury Bills in its classification of cash and cash equivalents as of August 31, 2024.



**Nurses Educational Funds, Inc.**  
**Notes to Financial Statements**  
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**Investment Valuation and Income Recognition**

Investments in equity securities with readily determinable fair values are measured at fair value in the accompanying statement of financial position. Unrealized gains and losses are included in the change in net assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurement.

Purchases and sales of investments are reflected on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

**Equipment**

Equipment is stated at cost less accumulated depreciation. Fixed assets with a cost in excess of \$2,000 and a projected useful life exceeding one year are capitalized. Lesser amounts are expensed. Purchased equipment is capitalized at cost. Donations of equipment are recorded as contributions at their estimated fair value.

Depreciation is recorded over the estimated useful lives of the assets using the straight-line method ranging up to five years for equipment. Upon sale or retirement, the cost and related accumulated depreciation of such assets are removed from the accounts and any resulting gain or loss realized is credited or charged to income for the period. Expenditures for maintenance and repairs are charged to income as incurred.

Equipment as of August 31, 2024 consists of computer equipment. Equipment and related accumulated depreciation as of August 31, 2024 consist of the following:

	<u>2024</u>
Equipment	\$ 2,149
Less: accumulated depreciation	<u>(573)</u>
Equipment, net	<u><u>\$ 1,576</u></u>

Depreciation expense was \$430 for the year ended August 31, 2024.

**Intangible Assets – Website Development Costs**

Intangible assets with a cost in excess of \$2,000 and a projected useful life exceeding one year are capitalized and recorded at cost. During the year ended August 31, 2021, the Organization put into service a new website designed by a third-party vendor and capitalized \$10,000 in website development costs. Additional improvements to the website were made during the year ended August 31, 2022, and the additional cost of \$8,300 were capitalized. The website has an estimated useful life of three years. The amortization expense for the year ended August 31, 2024 was \$3,045. Total accumulated amortization as of August 31, 2024 was \$18,070.

Amortization expense for the year ending August 31<sup>st</sup> is as follows:

2025	<u>\$ 230</u>
	<u><u>\$ 230</u></u>

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**Promises to Give, Support and Revenue Recognition**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions of nonfinancial assets for services are recorded at their fair value, estimated by management based on invoices or other support. The Organization's policy is to utilize, rather than monetize, donated goods and services. No contributed nonfinancial assets were received by the Organization during the year ended August 31, 2024.

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. Revenues and expenses related to the services of these volunteers are not recognized by the Organization, as they do not meet the criteria for recognition as contributed services. The Organization does not separately track the number of volunteer hours received.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses (a) program services; (b) management and general supporting services; and (c) fundraising expenses. The program and supporting service activities of the Organization relate to providing financial assistance in the form of scholarships. Costs associated with the general management of the Organization have been classified in the statements of activities and changes in net assets as such. Costs associated with the Organization's fundraising activities are reflected under that functional expense category. The financial statements report certain categories of expenses that are attributable to program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, wages and payroll taxes are allocated to various functions according to management's estimates of time and effort spent on the Organization's functions. Website and internet expenses are allocated to various functions according to management's estimate of usage for such functions. The Organization uses a specific identification methodology to classify all other expenses.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ii). The Organization is subject to income taxes only on net unrelated business income. The Organization did not have any unrelated business income during the year ended August 31, 2024. The Organization is also required to file an informational return (Federal Form 990).

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The Organization has adopted the provisions of FASB ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is no longer subject to examination by the Internal Revenue Service for years prior to August 31, 2021.

**Risks and Uncertainties**

The Organization relies on contributions and donations from the general public. The Organization had two contributors whose contributions totaled approximately 77% of public support contributions for the year ended August 31, 2024. The loss of either of these contributors or a material decrease in this source of revenues could have a material impact on the statements of financial position and statements of activities and changes in net assets.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's statement of financial position and the related statement of activities and changes in net assets.

**Subsequent Events**

The Organization has evaluated subsequent events through April 28, 2025, the date the financial statements were available to be issued.

**3. Investments**

Investments consist of:

	<u>As of August 31, 2024</u>		
	Cost	Fair Value	Unrealized Gain (Loss)
Equity securities – common stocks	\$ 1,484,215	\$ 3,199,643	\$ 1,715,428
Equity securities – preferred stock	78,946	84,701	5,755
Equity securities – exchange traded fund	67,335	157,215	89,880
	<u>\$ 1,630,496</u>	<u>\$ 3,441,559</u>	<u>\$ 1,811,063</u>

**4. Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;

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- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used as of August 31, 2024.

*Equity securities:* Investments in common stock, preferred stock and exchange traded funds for securities traded on national securities exchanges are valued at the closing price reported by the exchange.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's fair value measurements as of August 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity securities:				
Common stock - large cap equity	\$ 3,037,308	\$ 3,037,308	\$ -	\$ -
Common stock - mid cap equity	162,335	162,335	-	-
Preferred stock - banking	84,701	84,701	-	-
Exchange traded fund – large cap equity	157,215	157,215	-	-
Total assets at fair value	<u>\$ 3,441,559</u>	<u>\$ 3,441,559</u>	<u>\$ -</u>	<u>\$ -</u>

## **5. Net Assets With Donor Restrictions**

The Organization has received contributions that are subject to donor-imposed stipulations, including amounts for specific scholarships. During the year ended August 31, 2024, \$7,000 was released from restrictions due to satisfaction of program restrictions.

Net assets with donor restrictions are available for the following purposes or period as of August 31, 2024:

	<u>2024</u>
Donor support for future years' programs:	
M. Elizabeth Carnegie African-American Memorial Fund	\$ 55,975

**Nurses Educational Funds, Inc.**  
**Notes to Financial Statements**  
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**(See Independent Accountant's Review Report)**

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**6. Liquidity and Availability of Financial Assets**

The Organization regularly monitors liquidity to meet operating needs and other commitments. Donor restricted amounts that are available for use within one year for general purposes include amounts for scholarships, as well as donor support to be used within one year of the statement of financial position date.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of August 31, 2024:

	<u>2024</u>
Financial assets at year-end	
Cash and cash equivalents	\$ 671,657
Investments	3,441,559
Less: assets unavailable for general expenditures due to donor restrictions	<u>(55,975)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,057,241</u>

**7. Gala Event**

The Organization held a gala event for fundraising activities in May 2024. Receipts are recorded in revenues and gains as Gala event in the statement of activities and changes in net assets while the disbursements are included in fundraising expenses. Total receipts related to the May 2024 gala were \$46,325. Costs associated with this gala totaled \$13,097 for the year ended August 31, 2024. The net amount raised by the gala was \$33,228.