

Financial Statements and Report of Independent  
Certified Public Accountants

**American Speech-Language-Hearing Association**

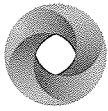
December 31, 2009

# American Speech-Language-Hearing Association

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## Report of Independent Certified Public Accountants

Audit Committee  
American Speech-Language-Hearing Association

We have audited the accompanying statement of financial position of the American Speech-Language-Hearing Association (the Association) as of December 31, 2009, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

McLean, Virginia  
April 29, 2010

*Grant Thornton LLP*

# American Speech-Language-Hearing Association

## Statement of Financial Position

*December 31, 2009*

### **Assets**

Cash and cash equivalents	\$	4,272,831
Investments		39,050,513
Accounts receivable, net		625,497
Receivable from affiliates		80,231
Prepaid expenses and inventory		1,203,011
Accrued interest receivable		74,855
Other assets		114,427
Property and equipment, net		48,133,702
Assets held for sale, net		6,239,785

**Total Assets** \$ 99,794,852

### **Liabilities and Net Assets**

#### **Liabilities**

Accounts payable—trade	\$	1,060,116
Payable to affiliates		621,945
Accrued salaries and accumulated leave		2,248,735
Retirement fund payable		7,427,612
Mortgage interest payable		82,195
Mortgage payable		31,175,000
Interest rate swap		1,295,944
Deposit – Building sale		1,500,000
Deferred revenue		25,201,016

**Total Liabilities** 70,612,563

#### **Net Assets—Unrestricted**

Board-designated		38,857,008
Undesignated		(9,674,719)

**Total Net Assets** 29,182,289

**Total Liabilities and Net Assets** \$ 99,794,852

*The accompanying notes are an integral part of this statement.*

# American Speech-Language-Hearing Association

## Statement of Activities and Change in Net Assets

Year ended December 31, 2009

<b>Program Revenue</b>	
Member dues	\$ 27,323,207
Publications:	
ASHA Leader	851,984
JSLHR	512,339
LSHSS	124,909
AJA	36,320
AJSPLP	99,322
ASHA web site	507,067
Special reports and brochures	156,182
CAA	370,500
Academic affairs	10,234
Research	5,000
Ethics	1,934
Clinical certification	40,043
Public information	28,472
Governmental affairs	20,137
Multicultural affairs	31,162
Continuing education	2,508,895
Convention	3,847,237
Specialty recognition	750
Educational programs and products	2,135,606
Professional practices	114,693
Special interest divisions	1,150,071
Recruitment and retention	359,910
Membership list rentals	668,058
Non-member certification fees	673,031
NSSLHA subscribers	314,656
Grants and contracts	45,378
Rental revenue	283,725
Other revenue	274,824
<b>Total Program Revenue</b>	<b>\$ 42,495,646</b>
<b>Program Expenses</b>	
Publications:	
ASHA Leader	2,254,188
JSLHR	700,669
LSHSS	425,393
AJA	178,282
AJSPLP	406,681
ASHA web site	1,868,452
Special reports and brochures	479,323
CAA	977,742
Academic affairs	622,710
Research	2,335,806
Ethics	385,729
Clinical certification	1,294,185

The accompanying notes are an integral part of this statement.

# American Speech-Language-Hearing Association

## Statement of Activities and Change in Net Assets—Continued

Year ended December 31, 2009

### Program Expenses—Continued

Public information	\$	2,496,215
Governmental affairs		3,089,226
Multicultural affairs		907,081
Continuing education		1,770,620
Convention		2,544,021
Specialty recognition		29,402
Educational programs and products		1,661,958
Professional practices		2,725,727
Special interest divisions		1,129,763
Recruitment and retention		591,074
Grants and contracts		45,378
International		142,602
Contingency		62,521
Governance		1,437,598
Contribution to the Foundation		222,804
Housing Fund expenses		2,056,925

**Total Program Expenses** 32,842,075

### Administrative

General and administrative		11,404,131
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**Total Expenses** 44,246,206

**Excess of Program Expenses over Revenue** (1,750,560)

### Other Revenue (Expense)

Interest and dividends		526,561
Realized loss on investments		(2,001,032)
Unrealized gain on investments		5,780,122
Pension related gains other than net periodic benefit cost		7,333,366
Unrealized gain on interest rate swap		2,142,375
Gain on disposal of assets		4,202
Unrelated business income tax benefit		1,090

**Total Other Revenue** 13,786,684

**Change in Net Assets** 12,036,124

**Net Assets, beginning of year** 17,146,165

**Net Assets, end of year** \$ 29,182,289

The accompanying notes are an integral part of this statement.

# American Speech-Language-Hearing Association

## Statement of Cash Flows

Year ended December 31, 2009

### Cash Flows from Operating Activities

Change in net assets \$ 12,036,124

Adjustments to reconcile change in net assets to net cash from operating activities:

Depreciation	2,709,203
Bad debt expense	1,374
Realized loss in on investments	2,001,032
Unrealized gain on investments	(5,780,122)
Gain on disposal of property and equipment	(4,202)
Unrealized gain on interest rate swap	(2,142,375)
Changes in operating assets and liabilities:	
Accounts receivable	124,538
Receivable from affiliates	15,796
Prepaid expenses	754,390
Accrued interest receivable	(59,409)
Other assets	5,132
Accounts payable	(803,610)
Payable to affiliates	(375,329)
Retirement fund payable	(6,491,914)
Mortgage interest payable	(18,465)
Accrued salaries and accumulated leave	(662,309)
Deferred revenue - building sale	1,500,000
Deferred revenue	4,060,831

**Net Cash Provided by Operating Activities** 6,870,685

### Cash Flows from Investing Activities

Purchase of property and equipment	(2,382,656)
Proceeds from sale of property and equipment	5,380
Purchases of investments	(95,785,185)
Proceeds from sales of investments	93,810,823

**Net Cash Used in Investing Activities** (4,351,638)

### Cash Flows from Financing Activities

Principal payments on mortgage payable	(1,275,000)
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**Net Cash Provided by Financing Activities** (1,275,000)

**Net Increase in Cash and Cash Equivalents** 1,244,047

**Cash and Cash Equivalents, beginning of year** 3,028,784

**Cash and Cash Equivalents, end of year** \$ 4,272,831

### Supplemental Cash Flow Disclosure

Cash paid for interest \$ 1,153,106

The accompanying notes are an integral part of this statement.

# American Speech-Language-Hearing Association

## Notes to Financial Statements

December 31, 2009

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### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Organization*

The American Speech-Language-Hearing Association (the Association) is a not-for-profit professional association. Its mission is to promote the interests of, and provide the highest quality services for, professionals in audiology, speech-language pathology and speech and hearing science, and to advocate for people with communication disabilities. The Association's primary sources of revenue are membership dues, annual convention, continuing education, educational programs and products revenue, investment income, and publication sales.

A summary of the Association's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

#### *Basis of Accounting*

All revenue and expenses are recorded in accordance with the accrual basis of accounting. Revenue is recorded in the fiscal year in which applicable services are performed or goods have been provided. Member dues are recorded as revenue in the applicable membership period. Annual subscription revenues are reflected in revenue in the year in which publications are issued. Amounts received for conferences, meetings, and other services are recorded as revenue in the year when the conference or meeting takes place, or the related services are performed.

Expenses are recorded in the period in which they contributed to generating revenue. Convention and other conference and meeting expenses are recorded in the fiscal year in which the Association received goods or services relating to that convention, conference, or meeting. Publication expense is recorded in the fiscal year in which the publications are issued.

#### *Cash Equivalents*

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

#### *Investments*

Investments held by the Association are presented at their fair market value, as determined by quoted market prices. Unrealized gains and losses are reflected in the statement of activities. Investments include cash and money market funds which the Association intends to hold for investment purposes.

#### *Accounts Receivable*

The carrying value of the Association's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful account is based on the age of the outstanding receivable. If events or changes in circumstances indicate that a specific receivable balance may be unrealizable, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Receivable balances deemed uncollectible are written off against the allowance.

# American Speech-Language-Hearing Association

## Notes to Financial Statements

December 31, 2009

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### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Property and Equipment*

The Association capitalizes assets with an original cost of greater than or equal to \$1,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives using the straight-line method. Building, furniture and equipment, and computer systems are depreciated between three and forty years.

#### *Interest Rate Swap*

The Association uses an interest rate swap agreement to effectively fix the interest rate on its variable rate mortgage. The fair value of the swap is based on market conditions and the variable rate specified in the agreement. Unrealized gains and losses are included in the statement of activities.

#### *Deferred Revenue*

Deferred revenue principally represents amounts received in advance for the following:

- a. Member dues and certification revenue, which are applicable to subsequent accounting periods.
- b. Subscriptions to periodicals, which are to be subsequently issued.

#### *Income Taxes*

The Association is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code, except for the taxation of unrelated business income. The Association derives its unrelated business income from activities such as advertising in publications and on its web site.

#### *Fair Value Measurements*

The Association has adopted guidance that defines fair value, establishes a framework for measuring fair value in accordance with US GAAP, and expands disclosures about fair value measurements. Where applicable, such information has been disclosed elsewhere in the notes to the financial statements.

Level 1 inputs include quoted market prices in active markets for identical assets. Level 2 inputs include quoted market prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers, or where little information is released publicly. Level 3 inputs are used to measure fair value when observable inputs are not available, thereby allowing for situations where there is little, if any, observable market activity for the asset at the measurement date.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

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December 31, 2009

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## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

### *Using Estimates in Preparing Financial Statements*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

### *Concentration of Credit Risk*

Financial instruments that potentially subject the Association to a concentration of credit risk include cash deposits with commercial banks. The Association's cash management policies limit its exposure to a concentration of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may exceed the FDIC insurable limit of \$250,000 at times throughout the year due to anticipated large expenses under various projects. As of December 31, 2009, the amount in excess of the FDIC insurable limit was approximately \$2,045,620. Management does not consider this to be a significant credit risk.

### *New Accounting Pronouncements*

In 2009, the Financial Accounting Standards Board (FASB) issued new guidance to establish the FASB Accounting Standards Codification (the "Codification") as the single source of authoritative nongovernmental U.S. GAAP. The Association's adoption of this standard did not have a material impact on the consolidated financial statements.

In 2009, the Financial Accounting Standards Board issued new guidance to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. The guidance introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance-sheet date. The Association adopted this guidance as of December 31, 2009.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE B—RELATED PARTIES

### *Receivables and Payables*

The Association is affiliated with several smaller organizations. The organizations are related through common exempt purpose, and the Association processes certain cash receipts and disbursements for the organizations. The following is a schedule of the accounts receivable and payable with the affiliated organizations at December 31, 2009:

	Accounts Receivable	Accounts Payable
American Speech-Language-Hearing Association		
Political Action Committee	\$ —	\$ 29,590
National Student Speech Language Hearing Association	—	30,312
American Speech-Language-Hearing Foundation	74,718	334,914
National Association for Hearing and Speech Action	5,513	227,129
	<u>\$ 80,231</u>	<u>\$ 621,945</u>

### *Contribution to the American Speech-Language-Hearing Foundation*

The Board of Directors of the Association approved contribution commitments to the American Speech-Language-Hearing Foundation (Foundation) through fiscal year 2010. The Association has recorded a liability of \$260,000 as of December 31, 2009 for contributions due in 2010. In addition, the Association has made in-kind contributions of \$222,804 to the Foundation during the year ended December 31, 2009.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE C—INVESTMENTS

Investments consist of the following at December 31, 2009:

	Cost	Market Value
Investments for designated short-term use		
Cash equivalents	\$ 11,574,316	\$ 11,576,695
U.S. Government bonds, corporate obligations, and common trust funds-fixed	507,578	503,819
	<u>12,081,894</u>	<u>12,080,514</u>
Investments for designated long-term use		
Cash equivalents held for long-term investment purposes	1,039,820	1,039,820
Corporate equities and common trust funds-equity	10,110,744	10,959,036
U.S. government bonds, corporate obligations, and common trust funds-fixed	11,923,161	14,971,143
	<u>23,073,725</u>	<u>26,969,999</u>
	<u>\$ 35,155,619</u>	<u>\$ 39,050,513</u>

Investments were recorded at fair value as of December 31, 2009 based on the following level of hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 12,616,515	\$ —	\$ —	\$ 12,616,515
Corporate equities and common trust funds-equity	7,558,044	—	3,400,992	10,959,036
U.S. government bonds, corporate obligations, and common trust funds-fixed	2,224,019	13,005,782	245,160	15,474,962
	<u>\$ 22,398,578</u>	<u>\$ 13,005,782</u>	<u>\$ 3,646,152</u>	<u>\$ 39,050,513</u>

# American Speech-Language-Hearing Association

## Notes to Financial Statements—Continued

December 31, 2009

### NOTE C—INVESTMENTS—Continued

The following is a description of the valuation methodologies used by the Association for investments measured at fair value:

*Cash equivalents.* Valued at cost which approximates fair value.

*Corporate equities, U.S. government bonds, and corporate obligations.* Valued at the closing price reported on the open market on which the individual or similar securities or instruments are traded.

*Common trust funds.* Valued at net asset value per share of the investments.

Investment return consists of the following for the year ended December 31, 2009:

Interest and dividends	\$ 723,069
Management fees	(196,508)
	<hr/>
	526,561
Realized loss on investments	(2,001,032)
Unrealized gain on investments	5,780,122
	<hr/>
	\$ 4,305,651
	<hr/>

### NOTE D—ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at December 31, 2009:

Advertising	\$ 172,135
Publications and mailing lists	242,114
Research grants	15,242
Other	255,414
	<hr/>
	684,905
Less: allowance for uncollectible accounts	(59,408)
	<hr/>
	\$ 625,497
	<hr/>

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE E—PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2009:

Building/Building Improvement/Land Improvement	\$ 36,336,443
Furniture and fixtures	1,778,252
Leasehold improvements	822,832
Equipment	312,786
Computers and software	12,101,613
	<hr/>
Total depreciable assets	51,351,926
Accumulated depreciation	(11,179,048)
	<hr/>
	40,172,878
Art/statues	126,139
Land – headquarters	7,834,685
	<hr/>
Property and equipment, net	48,133,702
	<hr/>
Assets held for sale	12,198,275
Accumulated depreciation	(5,958,490)
	<hr/>
Assets held for sale, net	\$ 6,239,785
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“Building” represents amounts paid for the construction of the new headquarters building. Capitalized interest of \$1,287,226 is included in the building cost.

The Association previously occupied property on Rockville Pike as its headquarters through November 2007, when the new headquarters on Research Boulevard were completed. The Rockville Pike building and land, net of appropriate depreciation, are reflected as “Assets Held for Sale” in the accompanying statement of financial position. During the year ended December 31, 2009, the Association entered into an agreement for the sale of this building and land for a base purchase price of \$5,000,000. The agreement also calls for an additional purchase price of the greater of \$922,900 or a percentage of the gross proceeds from the sale of townhomes to be constructed on the land by the purchaser. Under the terms of the agreement, the Association has collected a nonrefundable deposit in the amount of \$1,500,000. Closing of this transaction is anticipated to occur in July 2010.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE F—RETIREMENT PLANS

### *Defined Benefit Retirement Plan*

The Association has a noncontributory defined benefit retirement plan covering most employees and employees of the Foundation hired before January 1, 2003. The benefits are based on years of service and the employee's highest average compensation during any three consecutive fiscal years. The Association's funding policy is to contribute annually the maximum up to the full funding limitation. The Association records the under-funded status of the defined benefit retirement plan as a liability in the statement of financial position and as a reduction of unrestricted net assets in the statement of activities.

The accumulated benefit obligation for the retirement plan was \$42,773,422 as of December 31, 2009. The plan's funded status recognized in the statement of financial position at December 31, 2009 was as follows:

Plan assets at fair value	\$ 40,233,775
Projected benefit obligation	47,661,387
	<hr/>
Funded status (liability)	\$ (7,427,612)

The components of net periodic benefit cost for the year ended December 31, 2009 are as follows:

Service cost	\$ 1,690,349
Interest cost	2,715,310
Expected return on plan assets	(2,864,735)
Amortization prior service cost	23,646
Amortization net loss	1,266,730
	<hr/>
	2,831,300
Less allocation to related entities	(28,623)
	<hr/>
Net ASHA periodic benefit cost	\$ 2,802,677

For the year ended December 31, 2009, employer contributions and benefits paid were as follows:

Employer contributions	1,989,848
Benefits paid	1,430,925

Amounts not recognized in 2009 periodic pension expense reported as an increase to unrestricted net assets in the accompanying statement of activities are as follows:

Net gain	\$ (6,042,990)
Amortization of net loss	(1,266,730)
Amortization of prior service cost	(23,646)
	<hr/>
	\$ (7,333,366)

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE F—RETIREMENT PLANS—Continued

### *Defined Benefit Retirement Plan—Continued*

Estimated amortization to be included in net periodic pension cost for the year ended December 31, 2009 is as follows:

Net loss	\$	872,145
Prior service cost		23,646
	\$	<u>895,791</u>

The following key assumptions were used by the actuary to compute periodic pension cost at December 31:

Weighted-average discount rate	6.33%
Weighted-average compensation increase	3.00%
Weighted-average expected long-term rate of return on plan assets	8.75%

The following key assumptions were used by the actuary to determine the benefit obligations at December 31:

Weighted-average discount rate	6.15%
Weighted-average compensation increase	3.00%

The Association's expected long-term rate of return on plan assets is updated periodically, taking into consideration the Association's target asset allocation, historical returns on the types of assets held, and the current and forecasted economic environment. In selecting the expected long-term rate of return on assets, the Association considered the rate of earnings expected on the asset classes within the portfolio invested or to be invested to provide for the benefits of these plans. This included considering the asset allocation and the expected returns likely to be earned over the life of the plans.

The fair values of the Association's pension plan assets at December 31, 2009 by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ —	\$ 20,848,309	\$ —	\$ 20,848,309
Debt securities	—	3,901,889	—	3,901,889
Real estate securities	—	—	1,288,449	1,288,449
Other	—	—	14,195,128	14,195,128
	<u>\$ —</u>	<u>\$ 24,750,198</u>	<u>\$ 15,483,577</u>	<u>\$ 40,233,775</u>

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE F—RETIREMENT PLANS—Continued

### *Level 3 Summary of Changes*

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended December 31, 2009:

	Real Estate Securities	Other
Beginning balance, January 1, 2009	\$ 1,776,546	\$ 12,287,947
Realized/unrealized (loss) gain	(470,343)	1,673,724
Purchases, sales, issuances and settlements, net	(17,754)	233,457
Transfers, net	—	
Ending balance, December 31, 2009	\$ 1,288,449	\$ 14,195,128

### *Additional Information*

The measurement date in 2009 for purposes of determining the fair value of plan assets and the measured pension benefit cost for balance sheet and disclosure was December 31, 2009. The asset allocations for the funds are as follows for December 31, 2009:

<i>Asset Category</i>	
Equity securities	52%
Debt securities	10%
Real estate securities	3%
Other	35%
	100%

Target allocation percentages are 50 percent equity securities, 45 percent fixed and guaranteed income, and 5 percent real estate.

The Association's policy for determining asset-mix targets includes the periodic development of asset/liability studies by a third-party investment consultant, to match the expected liability with appropriate expected long-term rate of return and expected risk for various investment portfolios.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2009

## NOTE F—RETIREMENT PLANS—Continued

### *Additional Information—Continued*

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	<b>Pension</b>
2010	\$ 1,710,198
2011	1,924,602
2012	2,185,017
2013	2,284,855
2014	2,499,863
2015-2019	15,163,285

The Association expects to contribute approximately \$1,200,000 to its pension plan in 2010.

### *401(k) Plan*

The Association has a defined contribution plan which qualifies under Section 401(k) of the Internal Revenue Code. The plan provides that each eligible Association-salaried employee may invest a portion of salary or the cost equivalent of a portion of earned annual leave in the plan. Employees hired after December 31, 2003, and those who made an irrevocable election in 2003 are eligible to receive pension contributions from ASHA. The Association made \$748,568 in net contributions to the plan in 2009.

## NOTE G—COMMITMENTS

### *Operating Leases*

The Association leases office equipment under non-cancelable operating leases expiring at various dates through 2013. The minimum rental for these commitments is as follows:

<i>Year ending December 31,</i>	
2010	\$ 244,329
2011	216,324
2012	186,595
2013	110,397
2014	7,951
	<u>\$ 765,596</u>

Rental expense for all operating leases was \$112,601 for the year ended December 31, 2009.

# American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

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December 31, 2009

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## NOTE G—COMMITMENTS—Continued

### *Contingencies*

The Association is subject to claims and lawsuits in the ordinary course of business. Management does not believe the resolution of such claims and lawsuits will have a material effect on the financial statements.

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## NOTE H—DEBT

### *Line-of-Credit*

The Association maintains a \$2,500,000 unsecured line-of-credit, which was established to meet temporary cash flow needs. Interest is at London Interbank Offered Rate (LIBOR) plus 50 basis points (3% at December 31, 2009); the line-of-credit expires June 2010 and is renewable annually. There was no balance outstanding at December 31, 2009.

### *Construction Financing*

The Association negotiated financing for the property acquisition and construction of its new headquarters in 2005. The terms of the loan permitted borrowing up to \$43 million at LIBOR plus 55 basis points. The mortgage payable outstanding at December 31, 2009 was \$31,175,000. The loan was drawn upon from two separate accounts (Tranche A and Tranche B). Tranche A has a maximum amount of \$18,000,000 and Tranche B has a maximum amount of \$25,000,000. As of December 31, 2009, the interest rate on Tranche A and Tranche B was 1.97% and .78%, respectively.

Under the terms of the loan agreement for borrowings on Tranche A, repayment of \$18,000,000 was due on the earlier of January 31, 2009 or the settlement date for the sale of the Rockville Pike property. Pursuant to an amendment of the Loan Agreement dated February 20, 2009, the terms were modified to require repayment of the outstanding principal balance in equal monthly installments of \$75,000 beginning April 15, 2009 continuing until February 15, 2012 upon which the remaining unpaid principal is payable in full on March 15, 2012. The amendment also modified the interest rate to 1.75% plus LIBOR rate for Tranche A.

In addition, the remaining original mortgage balance on Tranche B is payable over thirty years beginning in February 2008 in equal monthly installments of \$50,000. The unpaid principal of this portion of the mortgage loan is payable in full on January 31, 2021.

## American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

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December 31, 2009

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### NOTE H—DEBT—Continued

#### *Construction Financing—Continued*

Principle payments of debt obligations are payable are as follows:

*Year ending December 31,*

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2010	\$ 1,500,000
2011	1,500,000
2012	16,125,000
2013	600,000
2014	600,000
2015	600,000
	<hr/>
Thereafter	20,925,000
	<hr/>
Total	\$ 31,175,000

#### *Financial Instrument*

In December 2005, the Association entered into an interest-rate swap agreement, which effectively converted the rate of interest owed on \$15,000,000 of its mortgage notes related to construction of the new headquarters building to a fixed rate. Under the agreement, payments are made based on a fixed rate of 5.53 percent on a notational principal balance of \$15,000,000 and receive a variable LIBOR-based variable rate (.79% at December 31, 2009). The swap agreement carries a 15-year, 7-month term which began in June 2007.

The Association has valued the interest-rate swap liability at \$1,295,944 at December 31, 2009. A corresponding unrealized gain on the interest-rate swap of \$2,142,375 has been recorded in the accompanying statements for 2009.

## American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

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*December 31, 2009*

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### NOTE I—BOARD-DESIGNATED FUNDS

The Association's Board-designated New Initiatives Fund is composed of amounts designated for market research, product development and marketing. The balance designated at December 31, 2009, is \$319,840.

The Association's Board-designated Housing Fund serves to aggregate activities pertaining to the construction and/or lease of office facilities for the Association (e.g., construction and major renovation, related financing costs, rental of auxiliary space) and related activities and to provide separately identified resources for their funding. The balance designated at December 31, 2009, is \$11,567,172.

The Association's Board-designated Reserve Funds serve to maintain financial viability in the event of an economic disaster, make funds available to take advantage of economic opportunities to benefit the Association, and provide for long-term investment of funds that are not needed in the short run for cash flow or for capital expenditures. The balance designated at December 31, 2009 is \$26,969,996.

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### NOTE J—SUBSEQUENT EVENTS

The Association evaluated its December 31, 2009 financial statements for subsequent events through April 29, 2010, the date the consolidated financial statements were available to be issued. The Association is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Supplemental Information





Grant Thornton

**Report of Independent Certified Public Accountants on  
Supplemental Information**

Audit Committee  
American Speech-Language-Hearing Association

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole of the American Speech-Language-Hearing Association for the year ended December 31, 2009, which are presented in the preceding section of this report. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McLean, Virginia  
April 29, 2010

*Grant Thornton LLP*

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American Speech-Language-Hearing Association

Schedule of Revenue and Expenses by Natural Classification

Year ended December 31, 2009

	ASHA Operating Fund	Grant and Contract Funds	Other Funds	Eliminations	Total All Funds
<b>Revenue</b>					
Member dues	\$ 26,164,387	\$ —	\$ 1,158,820	\$ —	\$ 27,323,207
Subscriptions and publications (including advertising)	3,228,421	—	—	—	3,228,421
Convention revenue	3,810,107	—	—	—	3,810,107
CAA	370,500	—	—	—	370,500
Workshops/conferences	618,811	—	—	—	618,811
Membership list rentals	668,058	—	—	—	668,058
Tapes and other products	993,462	—	—	—	993,462
Continuing education	2,508,159	—	216	—	2,508,375
Special interest division fees	1,116,404	—	—	—	1,116,404
Royalties	399,571	—	—	—	399,571
Non-member certification fees	650,375	—	22,656	—	673,031
Miscellaneous revenue	456,596	—	—	—	456,596
Interest on housing fund expense	76,160	—	(76,160)	—	—
Rental revenue	—	—	1,198,655	(914,930)	283,725
Grants and contracts	—	45,378	—	—	45,378
<b>Total Revenue</b>	<b>41,061,011</b>	<b>45,378</b>	<b>2,304,187</b>	<b>(914,930)</b>	<b>42,495,646</b>
<b>Expenses</b>					
Salaries	18,961,755	—	338,799	—	19,300,554
Payroll taxes	1,434,533	—	—	—	1,434,533
Group insurance	2,663,591	—	125,356	—	2,788,947
Retirement plan	3,551,246	—	—	—	3,551,246
Depreciation	1,493,154	—	1,165,445	—	2,658,599
Rent	914,930	—	112,601	(914,930)	112,601
Property tax /assessments	—	—	18,137	—	18,137
Repairs and maintenance	933,370	—	33,396	—	966,766
Equipment and space rental	727,989	—	—	—	727,989
Insurance	224,974	—	7,084	—	232,058
Utilities	496,953	—	36,369	—	533,322
Supplies	1,193,453	3,710	—	—	1,197,163
Postage and handling	461,681	—	—	—	461,681
Telephone	248,214	—	—	—	248,214
Affiliation fees	78,536	—	—	—	78,536
Employment costs	66,679	—	—	—	66,679
Travel	450,979	41,668	2,229	—	494,876
ASHA-sponsored projects, food/meeting	883,954	—	—	—	883,954
Officers, committees, boards and councils	952,789	—	—	—	952,789
Credit card processing fees	750,823	—	—	—	750,823
Banking fees	185,719	—	67,125	—	252,844
Professional services	2,109,146	—	73,965	—	2,183,111
Publications	2,218,314	—	—	—	2,218,314
Political Action Committee	5,695	—	—	—	5,695
CAA site visits	143,374	—	—	—	143,374
Contribution to Foundation	222,804	—	—	—	222,804
Other contributions/co-sponsorships	195,571	—	—	—	195,571
Miscellaneous	317,279	—	—	—	317,279
Indirect costs charged to grants, NSSLHA and Foundation	(209,987)	—	—	—	(209,987)
Interest and other housing fund expenses	—	—	1,457,734	—	1,457,734
<b>Total Expenses</b>	<b>41,677,518</b>	<b>45,378</b>	<b>3,438,240</b>	<b>(914,930)</b>	<b>44,246,206</b>
<b>Excess of Expenses over Revenue</b>	<b>(616,507)</b>	<b>—</b>	<b>(1,134,053)</b>	<b>—</b>	<b>(1,750,560)</b>
<b>Other Revenue (Expense)</b>					
Interest and dividends	526,561	—	—	—	526,561
Realized gain (loss) on investments	3,703	—	(2,004,735)	—	(2,001,032)
Unrealized gain on investments	46,674	—	5,733,448	—	5,780,122
Pension related gains other than net periodic benefit cost	7,333,366	—	—	—	7,333,366
Unrealized gain on interest rate swap	—	—	2,142,375	—	2,142,375
Gain on disposal of assets	4,202	—	—	—	4,202
Unrelated business income tax benefit	1,090	—	—	—	1,090
<b>Total Other Revenue</b>	<b>7,915,596</b>	<b>—</b>	<b>5,871,088</b>	<b>—</b>	<b>13,786,684</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 7,299,089</b>	<b>\$ —</b>	<b>\$ 4,737,035</b>	<b>\$ —</b>	<b>\$ 12,036,124</b>

# American Speech-Language-Hearing Association

## Statement of Revenue and Expenses by Fund

Year ended December 31, 2009

	ASHA			
	Operating Fund	Other Funds	Eliminations	Total Funds
<b>Program Revenue</b>				
Member dues	\$ 26,164,387	\$ 1,158,820	\$ —	\$ 27,323,207
Publications:				
ASHA Leader	851,984	—	—	851,984
JSLHR	512,339	—	—	512,339
LSHSS	124,909	—	—	124,909
AJA	36,320	—	—	36,320
AJSLP	99,322	—	—	99,322
ASHA web site	507,067	—	—	507,067
Special reports and brochures	156,182	—	—	156,182
CAA	370,500	—	—	370,500
Academic affairs	10,234	—	—	10,234
Research	5,000	—	—	5,000
Ethics	1,934	—	—	1,934
Clinical certification	40,043	—	—	40,043
Public information	28,472	—	—	28,472
Governmental affairs	20,137	—	—	20,137
Multicultural affairs	31,162	—	—	31,162
Continuing education	2,508,679	216	—	2,508,895
Convention	3,847,237	—	—	3,847,237
Specialty recognition	750	—	—	750
Educational programs and products	2,135,606	—	—	2,135,606
Professional practices	114,693	—	—	114,693
Special interest divisions	1,150,071	—	—	1,150,071
Recruitment and retention	359,910	—	—	359,910
Membership list rentals	668,058	—	—	668,058
Non-member certification fees	650,375	22,656	—	673,031
NSSLHA subscribers	314,656	—	—	314,656
Grants and contracts	—	45,378	—	45,378
Rental revenue	—	1,198,655	(914,930)	283,725
Interest on Housing Fund advance	76,160	(76,160)	—	—
Other revenue	274,824	—	—	274,824
<b>Total Program Revenue</b>	<b>41,061,011</b>	<b>2,349,565</b>	<b>(914,930)</b>	<b>42,495,646</b>
<b>Program Expenses</b>				
Publications:				
ASHA Leader	2,246,124	8,064	—	2,254,188
JSLHR	682,122	18,547	—	700,669
LSHSS	406,846	18,547	—	425,393
AJA	160,541	17,741	—	178,282
AJSLP	388,940	17,741	—	406,681
ASHA web site	1,829,450	39,002	—	1,868,452
Special reports and brochures	457,593	21,730	—	479,323
CAA	977,742	—	—	977,742
Academic affairs	622,710	—	—	622,710

American Speech-Language-Hearing Association

Statement of Revenue and Expenses by Fund—Continued

Year ended December 31, 2009

	ASHA			Total Funds
	Operating Fund	Other Funds	Eliminations	
Research	\$ 2,335,806	\$ —	\$ —	\$ 2,335,806
Ethics	385,729	—	—	385,729
Clinical certification	1,294,185	—	—	1,294,185
Public information	2,496,215	—	—	2,496,215
Governmental affairs	3,089,226	—	—	3,089,226
Multicultural affairs	907,081	—	—	907,081
Continuing education	1,770,620	—	—	1,770,620
Convention	2,544,021	—	—	2,544,021
Specialty recognition	29,402	—	—	29,402
Educational programs and products	1,652,207	9,751	—	1,661,958
Professional practices	2,725,727	—	—	2,725,727
Special interest divisions	1,129,763	—	—	1,129,763
Recruitment and retention	591,074	—	—	591,074
Grants and contracts	—	45,378	—	45,378
International	142,602	—	—	142,602
Focused initiatives	—	—	—	—
Contingency	62,521	—	—	62,521
Governance	1,437,598	—	—	1,437,598
Contribution to the Foundation	222,804	—	—	222,804
Housing Fund expenses	—	2,971,855	(914,930)	2,056,925
	30,588,649	3,168,356	(914,930)	32,842,075
<b>Administrative</b>				
General and administrative	11,088,869	315,262	—	11,404,131
<b>Total Expenses</b>	<b>41,677,518</b>	<b>3,483,618</b>	<b>(914,930)</b>	<b>44,246,206</b>
<b>Excess of Program Expenses over Revenue</b>	<b>(616,507)</b>	<b>(1,134,053)</b>	<b>—</b>	<b>(1,750,560)</b>
<b>Other Revenue (Expense)</b>				
Interest and dividends	526,561	—	—	526,561
Realized gain (loss) on investments	3,703	(2,004,735)	—	(2,001,032)
Unrealized gain on investments	46,674	5,733,448	—	5,780,122
Pension related gains other than net periodic benefit cost	7,333,366	—	—	7,333,366
Unrealized gain on interest rate swap	—	2,142,375	—	2,142,375
Gain on disposal of assets	4,202	—	—	4,202
Unrelated business income tax benefit	1,090	—	—	1,090
<b>Total Other Revenue</b>	<b>7,915,596</b>	<b>5,871,088</b>	<b>—</b>	<b>13,786,684</b>
<b>Change in Net Assets</b>	<b>\$ 7,299,089</b>	<b>\$ 4,737,035</b>	<b>\$ —</b>	<b>\$ 12,036,124</b>