

Financial Statements and Report of Independent
Certified Public Accountants

American Speech-Language-Hearing Association

December 31, 2010

American Speech-Language-Hearing Association

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Report of Independent Certified Public Accountants

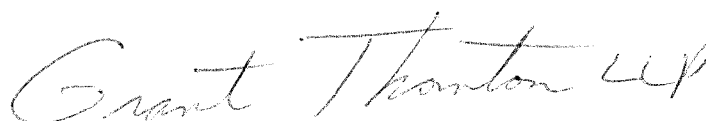
Audit Committee
American Speech-Language-Hearing Association

We have audited the accompanying statement of financial position of the American Speech-Language-Hearing Association (the Association) as of December 31, 2010, 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, 2010, 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 14, 2011



American Speech-Language-Hearing Association

Statement of Financial Position

December 31, 2010

Assets

Cash and cash equivalents	\$	22,315,835
Investments		30,661,981
Accounts receivable, net		466,967
Receivable from affiliates		62,810
Prepaid expenses and inventory		2,198,842
Accrued interest receivable		79,160
Other assets		151,051
Promissory note receivable		922,900
Property and equipment, net		46,562,281
Total Assets	\$	103,421,827

Liabilities and Net Assets

Liabilities

Accounts payable—trade	\$	1,801,153
Payable to affiliates		1,716,077
Accrued salaries and accumulated leave		2,763,540
Retirement fund payable		10,416,355
Mortgage interest payable		75,525
Mortgage payable		27,172,311
Interest rate swap		1,896,114
Deferred revenue		26,173,390

Total Liabilities 72,014,465

Net Assets—Unrestricted

Board-designated		41,613,614
Undesignated		(10,206,252)

Total Net Assets 31,407,362

Total Liabilities and Net Assets \$ 103,421,827

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, 2010

Program Revenue	
Member dues	\$ 31,882,733
Publications:	
ASHA Leader	789,948
JSLHR	361,235
LSHSS	96,291
AJA	32,727
AJSLP	72,109
ASHA web site	510,812
Special reports and brochures	185,637
CAA	458,981
Academic affairs	13,850
Ethics	1,319
Clinical certification	26,448
Public information	18,704
Governmental affairs	12,843
Multicultural affairs	21,944
Continuing education	2,586,249
Convention	4,143,838
Specialty recognition	750
Educational programs and products	2,372,739
Professional practices	151,465
Special interest groups	1,115,674
Recruitment and retention	305,264
Membership list rentals	717,522
Non-member certification fees	757,445
NSSLHA subscribers	332,908
Grants and contracts	87,059
Rental revenue	290,554
Other revenue	291,944
Total Program Revenue	\$ 47,638,992
Program Expenses	
Publications:	
ASHA Leader	2,025,862
JSLHR	405,538
LSHSS	205,728
AJA	147,017
AJSLP	215,810
ASHA web site	1,882,841
Special reports and brochures	533,954
CAA	1,054,145
Academic affairs	667,778
Research	2,467,139
Ethics	401,624
Clinical certification	1,419,413

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, 2010

Program Expenses—Continued	
Public information	\$ 2,772,388
Governmental affairs	2,701,296
Multicultural affairs	962,190
Continuing education	1,854,464
Convention	2,738,454
Specialty recognition	24,461
Educational programs and products	1,762,313
Professional practices	2,882,556
Special interest groups	1,190,764
Recruitment and retention	572,398
Grants and contracts	87,059
International	28,909
Contingency	66,315
Governance	1,432,650
Contribution to the Foundation	1,204,864
Housing Fund expenses	1,712,640
Total Program Expenses	33,420,570
Administrative	
General and administrative	11,777,987
Total Expenses	45,198,557
Excess of Program Revenue over Expenses	2,440,435
Other Revenue (Expense)	
Interest and dividends	568,199
Realized gain on investments	2,054,662
Unrealized gain on investments	1,048,785
Pension related loss other than net periodic benefit cost	(2,972,357)
Unrealized loss on interest rate swap	(600,170)
Loss on disposal of assets	(314,322)
Unrelated business income tax expense	(159)
Total Other Revenue	(215,362)
Change in Net Assets	2,225,073
Net Assets, beginning of year	29,182,289
Net Assets, end of year	\$ 31,407,362

The accompanying notes are an integral part of this statement.

American Speech-Language-Hearing Association

Statement of Cash Flows

Year ended December 31, 2010

Cash Flows from Operating Activities	
Change in net assets	\$ 2,225,073
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	2,600,826
Bad debt expense	9,791
Realized gain on sale of investments	(2,054,662)
Unrealized gain on investments	(1,048,785)
Loss on disposal of property and equipment	314,322
Unrealized loss on interest rate swap	600,170
Depreciation allocated as in-kind to affiliate	59,736
Changes in operating assets and liabilities:	
Accounts receivable	148,739
Receivable from affiliates	17,421
Prepaid expenses	(995,830)
Accrued interest receivable	(4,305)
Other assets	(36,624)
Accounts payable	741,036
Payable to affiliates	1,094,132
Retirement fund payable	2,988,743
Mortgage interest payable	(6,670)
Accrued salaries and accumulated leave	514,804
Deferred revenue	972,375
Net Cash Provided by Operating Activities	<u>8,140,292</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(1,089,140)
Proceeds from sale of property and equipment	3,502,563
Purchases of investments	(77,851,606)
Proceeds from sales of investments	89,343,584
Net Cash Provided by Investing Activities	<u>13,905,401</u>
Cash Flows from Financing Activities	
Principal payments on mortgage payable	(4,002,689)
Net Cash Used by Financing Activities	<u>(4,002,689)</u>
Net Increase in Cash and Cash Equivalents	18,043,004
Cash and Cash Equivalents, beginning of year	<u>4,272,831</u>
Cash and Cash Equivalents, end of year	<u>\$ 22,315,835</u>
Supplemental Cash Flow Disclosure	
Cash paid for interest	\$ 1,089,710

The accompanying notes are an integral part of this statement.

American Speech-Language-Hearing Association

Notes to Financial Statements

December 31, 2010

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

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. Unrealized gains and losses are reflected in the statement of activities. Realized gains and losses on investments are recorded as of the trade date. 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 receivables. 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, 2010

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. The Association also capitalizes certain costs associated with computer software developed or obtained for internal use. Costs associated with preliminary project stage activities, training, maintenance, and post implementation stage activities are expensed as incurred.

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. Costs associated with internal-use computer software are amortized over its estimated useful life.

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.

The Association recognizes tax positions on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Association does not believe it has any material uncertain tax positions.

Fair Value Measurements

The Association classifies its assets measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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. On November 9, 2010, the FDIC issued a ruling to provide unlimited deposit insurance coverage for noninterest bearing transaction accounts at all FDIC-insured depository institutions effective December 31, 2010 through December 31, 2012. As of December 31, 2010, the Association held no amounts in cash & cash equivalents that were not federally insured.

New Accounting Pronouncements

In January 2010, the FASB issued guidance that clarifies existing disclosures and requires new disclosures about fair value measurements. The clarifications and the requirement to disclose the amounts and reason for significant transfers between Level 1 and Level 2 and significant transfers into and out of Level 3 of the fair value hierarchy are effective for periods beginning after December 15, 2009. Since the new guidance only amends the disclosure requirements, it has not had any impact on the Association's financial statements.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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, 2010:

	Accounts Receivable	Accounts Payable
American Speech-Language-Hearing Association		
Political Action Committee	\$ —	\$ 26,426
National Student Speech Language Hearing Association	—	13,375
American Speech-Language-Hearing Foundation	62,810	1,046,535
National Association for Hearing and Speech Action	—	629,741
	<u>\$ 62,810</u>	<u>\$ 1,716,077</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 2014. The Association has recorded a liability of \$985,096 as of December 31, 2010 for contributions due in 2010. In addition, the Association has made in-kind contributions of \$218,124 to the Foundation during the year ended December 31, 2010. The Association's commitments are expected to be paid as follows:

One year	\$ 290,000
Two to five years	715,000
Less: discount	<u>(19,904)</u>
	<u>\$ 985,096</u>

Contribution to the National Association for Hearing and Speech Action

The Board of Directors of the Association approved a contribution commitment of \$400,000 to the National Association for Hearing and Speech Action (NAHSA). The Association did not make any payments on this commitment during 2010. In addition, the Association has made in-kind contributions of \$47,477 to NAHSA during the year ended December 31, 2010. The Association's commitment is expected to be paid over three years as costs are incurred by NAHSA.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

NOTE C—INVESTMENTS

Investments consist of the following at December 31, 2010:

	Cost	Market Value
Investments for designated long-term use		
Cash equivalents	\$ 883,823	\$ 883,823
US government and agency bonds	4,611,787	4,657,522
Corporate bonds	3,708,663	3,883,388
Common stock	10,181,777	13,265,196
Mutual and common trust funds	6,328,180	7,972,052
	<u>\$ 25,714,230</u>	<u>\$ 30,661,981</u>

Investments were recorded at fair value as of December 31, 2010 based on the following level of hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 883,823	\$ —	\$ —	\$ 883,823
US government & agency bonds	1,053,949	3,603,573	—	4,657,522
Corporate bonds	1,889,748	1,993,640	—	3,883,388
Common stock	13,265,196	—	—	13,265,196
Mutual and common trust funds	3,013,401	4,958,651	—	7,972,052
	<u>\$ 20,106,117</u>	<u>\$ 10,555,864</u>	<u>\$ —</u>	<u>\$ 30,661,981</u>

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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: Publicly traded money market funds are valued at quoted prices in an active market and are classified within Level 1 of the fair value hierarchy.

U.S. government agency bonds and corporate bonds: Investments in U.S. government agency and corporate bonds valued at quoted prices in an active market are classified within Level 1 of the fair value hierarchy. If quoted prices in an active market are not available, the bonds are valued using a discounted cash flow model and are classified within Level 2 of the fair value hierarchy.

Common stock: Investments in common stock are valued at quoted prices in an active market and are classified within Level 1 of the fair value hierarchy.

Mutual and Common trust funds: Investments in mutual funds are valued at quoted prices in an active market and are classified within Level 1 of the fair value hierarchy. Investments in common trust funds are valued at net asset value per share as a practical expedient and are classified within Level 2 or 3 of the fair value hierarchy depending on whether they are redeemable at or near year-end. As of December 31, 2010, the Association's common trust funds are redeemable at or near year-end, so have been classified within Level 2 of the fair value hierarchy.

Investment return consists of the following for the year ended December 31, 2010:

Interest and dividends	\$ 837,502
Management fees	(269,303)
	<hr/>
	568,199
Realized gain on investments	2,054,662
Unrealized gain on investments	1,048,785
	<hr/>
	\$ 3,671,646
	<hr/>

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

NOTE D—ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at December 31, 2010:

Advertising	\$	209,120
Publications and mailing lists		152,179
Lease commission		101,195
Research grants		21,341
Other		42,540
		<hr/>
		526,375
Less: allowance for uncollectible accounts		(59,408)
		<hr/>
	\$	466,967
		<hr/>

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

NOTE E—PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2010:

Building/Building Improvement/Land Improvement	\$ 36,366,328
Furniture and fixtures	1,779,335
Leasehold improvements	822,832
Equipment	378,716
Computers and software	13,014,264
	<hr/>
Total depreciable assets	52,361,475
Accumulated depreciation	(13,760,018)
	<hr/>
	38,601,457
	<hr/>
Art/statues	126,139
Land – headquarters	7,834,685
	<hr/>
Property and equipment, net	46,562,281
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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 construction of the new headquarters on Research Boulevard was completed. 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. Closing of the sale of the building and land occurred during the year ended December 31, 2010 and the Association has collected the base purchase price of \$5,000,000. The Association has also received a promissory note of the greater of \$922,900 or a percentage of the gross proceeds from the sale of townhomes to be constructed. The Association has recorded a promissory note receivable of \$922,900 in connection with this sale.

Upon closing of the sale, the book value of the building and land of \$6,239,785 was removed from the Association's accounting records. A corresponding loss of \$316,885 was recorded during the year ended December 31, 2010 in connection with this sale. There has been no sale of townhomes as of December 31, 2010.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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 \$50,658,039 as of December 31, 2010. The plan's funded status recognized in the statement of financial position at December 31, 2010 was as follows:

Plan assets at fair value	\$ 46,214,162
Projected benefit obligation	<u>(56,630,517)</u>
Funded status (liability)	<u>\$ (10,416,355)</u>

The components of net periodic benefit cost for the year ended December 31, 2010 are as follows:

Service cost	\$ 1,759,010
Interest cost	2,905,195
Expected return on plan assets	(3,288,272)
Amortization of prior service cost	23,646
Amortization of net loss	903,806
	<u>2,303,385</u>
Less allocation to related entities	<u>(35,254)</u>
Net ASHA periodic benefit cost	<u>\$ 2,268,131</u>

For the year ended December 31, 2010, employer contributions and benefits paid were as follows:

Employer contributions	2,287,000
Benefits paid	(1,617,433)

Amounts not recognized in 2010 periodic pension expense reported as a decrease to unrestricted net assets in the accompanying statement of activities are as follows:

Net loss	\$ 3,899,809
Amortization of net loss	(903,806)
Amortization of prior service cost	<u>(23,646)</u>
	<u>\$ 2,972,357</u>

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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, 2011 is as follows:

Net loss	\$ 1,176,166
Prior service cost	23,646
	<u>\$ 1,199,812</u>

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

Weighted-average discount rate	6.15%
Weighted-average compensation increase	3.00%
Weighted-average expected long-term rate of return on plan assets	8.25%

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

Weighted-average discount rate	5.40%
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, 2010 by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ —	\$ 23,401,186	\$ —	\$ 23,401,186
Debt securities	—	5,103,806	—	5,103,806
Real estate securities	—	1,886,866	—	1,886,866
Other	—	—	15,822,304	15,822,304
	<u>\$ —</u>	<u>\$ 30,391,858</u>	<u>\$ 15,822,304</u>	<u>\$ 46,214,162</u>

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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, 2010:

	Real Estate Securities	Other
Beginning balance, January 1, 2010	\$ 1,886,866	\$ 14,195,128
Realized/unrealized (loss) gain	—	805,554
Purchases, sales, issuances and settlements, net	—	821,622
Transfers, net	(1,886,866)	—
Ending balance, December 31, 2010	\$ —	\$ 15,822,304

During 2010, the Association transferred \$1,886,866 of real estate mutual funds between Level 3 and Level 2 due to the ability to liquidate funds on a monthly basis.

Additional Information

The measurement date in 2010 for purposes of determining the fair value of plan assets and the measured pension benefit cost for balance sheet and disclosure was December 31, 2010. The asset allocations for the funds are as follows for December 31, 2010:

<i>Asset Category</i>	
Equity securities	51%
Debt securities	11%
Real estate securities	4%
Other	34%
	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 in order 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, 2010

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:

	Pension
2011	\$ 1,964,303
2012	2,287,809
2013	2,370,848
2014	2,627,789
2015	2,765,644
2016-2020	18,898,828

The Association expects to contribute approximately \$1,635,000 to its pension plan in 2011.

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 \$838,395 in net contributions to the plan in 2010.

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>	
2011	\$ 246,890
2012	233,563
2013	181,070
2014	81,410
2015	74,626
	<hr/>
	\$ 817,559

Rental expense for all operating leases was \$387,631 for the year ended December 31, 2010.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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.

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 the prime rate plus 4%; the line-of-credit expires September 30, 2011 and is renewable annually. There was no balance outstanding at December 31, 2010.

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, 2010 was \$27,172,311. 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, 2010, the interest rate on Tranche A and Tranche B was 2.0% and .8%, 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

December 31, 2010

NOTE H—DEBT—Continued

Construction Financing—Continued

Principle payments of debt obligations are payable are as follows:

Year ending December 31,

2011	\$ 1,500,000
2012	13,622,311
2013	600,000
2014	600,000
2015	600,000
2016	600,000
	<hr/>
	17,522,311
Thereafter	9,650,000
	<hr/>
Total	\$ 27,172,311

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, 2010). The termination of the swap agreement is January 1, 2033 subject to an optional termination date of January 1, 2021.

The Association has valued the interest-rate swap liability at \$1,896,114 at December 31, 2010. A corresponding unrealized loss on the interest-rate swap of \$600,170 has been recorded in the accompanying statements for 2010.

American Speech-Language-Hearing Association

Notes to Financial Statements—Continued

December 31, 2010

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, 2010, is \$500,000.

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, 2010, is \$10,451,638.

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, 2010 is \$30,661,976.

NOTE J—SUBSEQUENT EVENTS

The Association evaluated its December 31, 2010 financial statements for subsequent events through April 14, 2011, 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



**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, 2010, 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 14, 2011

A handwritten signature in cursive script that reads "Grant Thornton LLP".

American Speech-Language-Hearing Association

Schedule of Revenue and Expenses by Natural Classification

Year ended December 31, 2010

	ASHA Operating Fund	Grant and Contract Funds	Other Funds	Eliminations	Total All Funds
Revenue					
Member dues	\$ 30,669,970	\$ —	\$ 1,212,763	\$ —	\$ 31,882,733
Subscriptions and publications (including advertising)	2,889,774	—	—	—	2,889,774
Convention revenue	4,134,838	—	—	—	4,134,838
CAA	458,981	—	—	—	458,981
Workshops/conferences	629,520	—	—	—	629,520
Membership list rentals	717,522	—	—	—	717,522
Tapes and other products	1,334,481	—	—	—	1,334,481
Continuing education	2,585,989	—	—	—	2,585,989
Special interest group	1,094,897	—	—	—	1,094,897
Royalties	350,121	—	—	—	350,121
Non-member certification fees	735,233	—	22,212	—	757,445
Miscellaneous revenue	425,078	—	—	—	425,078
Interest on housing fund expense	11,367	—	(11,367)	—	—
Rental revenue	—	—	1,215,933	(925,379)	290,554
Grants and contracts	—	87,059	—	—	87,059
Total Revenue	46,037,771	87,059	2,439,541	(925,379)	47,638,992
Expenses					
Salaries	19,569,026	—	225,395	—	19,794,421
Payroll taxes	1,455,633	—	—	—	1,455,633
Group insurance	3,018,053	—	83,396	—	3,101,449
Retirement plan	3,106,526	—	—	—	3,106,526
Depreciation	1,433,573	—	1,167,253	—	2,600,826
Rent	925,379	—	108,592	(925,379)	108,592
Property tax /assessments	—	—	53,717	—	53,717
Repairs and maintenance	975,426	—	33,197	—	1,008,623
Equipment and space rental	279,039	—	—	—	279,039
Insurance	222,631	—	4,632	—	227,263
Utilities	509,986	—	35,613	—	545,599
Supplies	1,026,033	3,076	—	—	1,029,109
Postage and handling	478,339	—	—	—	478,339
Telephone	224,991	—	—	—	224,991
Affiliation fees	69,420	—	—	—	69,420
Employment costs	56,227	—	—	—	56,227
Travel	519,275	83,983	—	—	603,258
ASHA-sponsored projects, food/meeting	1,095,353	—	11,287	—	1,106,640
Officers, committees, boards and councils	961,126	—	—	—	961,126
Credit card processing fees	820,789	—	—	—	820,789
Banking fees	192,811	—	—	—	192,811
Professional services	2,573,543	—	28,785	—	2,602,328
Publications	1,476,042	—	—	—	1,476,042
Political Action Committee	8,917	—	—	—	8,917
CAA site visits	151,292	—	—	—	151,292
Contribution to Foundation	1,204,864	—	—	—	1,204,864
Other contributions/co-sponsorships	580,896	—	—	—	580,896
Miscellaneous	376,097	—	—	—	376,097
Indirect costs charged to grants, NSSLIHA, NAHSA, and Foundation	(232,508)	—	—	—	(232,508)
Interest and other housing fund expenses	—	—	1,206,231	—	1,206,231
Total Expenses	43,078,779	87,059	2,958,098	(925,379)	45,198,557
Excess of Revenue over Expenses	2,958,992	—	(518,557)	—	2,440,435
Other Revenue (Expense)					
Interest and dividends	568,199	—	—	—	568,199
Realized gain on sale of investments	105	—	2,054,557	—	2,054,662
Unrealized (loss) gain on investments	(2,692)	—	1,051,477	—	1,048,785
Pension related loss other than net periodic benefit cost	(2,972,357)	—	—	—	(2,972,357)
Unrealized loss on interest rate swap	—	—	(600,170)	—	(600,170)
Gain (loss) on disposal of assets	2,563	—	(316,885)	—	(314,322)
Unrelated business income tax expense	(159)	—	—	—	(159)
Total Other Revenue (Expense)	(2,404,341)	—	2,188,979	—	(215,362)
Change in Net Assets	\$ 554,651	\$ —	\$ 1,670,422	\$ —	\$ 2,225,073

American Speech-Language-Hearing Association

Statement of Revenue and Expenses by Fund

Year ended December 31, 2010

	ASHA			
	Operating Fund	Other Funds	Eliminations	Total Funds
Program Revenue	\$ 30,669,970	\$ 1,212,763	\$ —	\$ 31,882,733
Member dues				
Publications:				
ASHA Leader	789,948	—	—	789,948
JSLHR	361,235	—	—	361,235
LSHSS	96,291	—	—	96,291
AJA	32,727	—	—	32,727
AJSLP	72,109	—	—	72,109
ASHA web site	510,812	—	—	510,812
Special reports and brochures	185,637	—	—	185,637
CAA	458,981	—	—	458,981
Academic affairs	13,850	—	—	13,850
Ethics	1,319	—	—	1,319
Clinical certification	26,448	—	—	26,448
Public information	18,704	—	—	18,704
Governmental affairs	12,843	—	—	12,843
Multicultural affairs	21,944	—	—	21,944
Continuing education	2,586,249	—	—	2,586,249
Convention	4,143,838	—	—	4,143,838
Specialty recognition	750	—	—	750
Educational programs and products	2,372,739	—	—	2,372,739
Professional practices	151,465	—	—	151,465
Special interest groups	1,115,674	—	—	1,115,674
Recruitment and retention	305,264	—	—	305,264
Membership list rentals	717,522	—	—	717,522
Non-member certification fees	735,233	22,212	—	757,445
NSSLHA subscribers	332,908	—	—	332,908
Grants and contracts	—	87,059	—	87,059
Rental revenue	—	1,215,933	(925,379)	290,554
Interest on Housing Fund advance	11,367	(11,367)	—	—
Other revenue	291,944	—	—	291,944
Total Program Revenue	46,037,771	2,526,600	(925,379)	47,638,992
Program Expenses				
Publications:				
ASHA Leader	2,025,862	—	—	2,025,862
JSLHR	405,538	—	—	405,538
LSHSS	205,728	—	—	205,728
AJA	147,017	—	—	147,017
AJSLP	215,810	—	—	215,810
ASHA web site	1,882,841	—	—	1,882,841
Special reports and brochures	533,954	—	—	533,954
CAA	1,054,145	—	—	1,054,145
Academic affairs	667,778	—	—	667,778

American Speech-Language-Hearing Association

Statement of Revenue and Expenses by Fund—Continued

Year ended December 31, 2010

	ASHA			Total Funds
	Operating Fund	Other Funds	Eliminations	
Research	\$ 2,467,139	\$ —	\$ —	\$ 2,467,139
Ethics	401,624	—	—	401,624
Clinical certification	1,419,413	—	—	1,419,413
Public information	2,772,388	—	—	2,772,388
Governmental affairs	2,701,296	—	—	2,701,296
Multicultural affairs	962,190	—	—	962,190
Continuing education	1,854,464	—	—	1,854,464
Convention	2,738,454	—	—	2,738,454
Specialty recognition	24,461	—	—	24,461
Educational programs and products	1,762,313	—	—	1,762,313
Professional practices	2,871,269	11,287	—	2,882,556
Special interest groups	1,190,764	—	—	1,190,764
Recruitment and retention	572,398	—	—	572,398
Grants and contracts	—	87,059	—	87,059
International	28,909	—	—	28,909
Contingency	66,315	—	—	66,315
Governance	1,432,650	—	—	1,432,650
Contribution to the Foundation	1,204,864	—	—	1,204,864
Housing Fund expenses	—	2,638,019	(925,379)	1,712,640
	31,609,584	2,736,365	(925,379)	33,420,570
Administrative				
General and administrative	11,469,195	308,792	—	11,777,987
Total Expenses	43,078,779	3,045,157	(925,379)	45,198,557
Excess of Program Revenue over Expenses	2,958,992	(518,557)	—	2,440,435
Other Revenue (Expense)				
Interest and dividends	568,199	—	—	568,199
Realized gain on investments	105	2,054,557	—	2,054,662
Unrealized (loss) gain on investments	(2,692)	1,051,477	—	1,048,785
Pension related loss other than net periodic benefit cost	(2,972,357)	—	—	(2,972,357)
Unrealized loss on interest rate swap	—	(600,170)	—	(600,170)
Gain (loss) on disposal of assets	2,563	(316,885)	—	(314,322)
Unrelated business income tax expense	(159)	—	—	(159)
Total Other Revenue (Expense)	(2,404,341)	2,188,979	—	(215,362)
Change in Net Assets	\$ 554,651	\$ 1,670,422	\$ —	\$ 2,225,073