

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**American Speech-Language-Hearing Association  
and National Student Speech Language Hearing  
Association (Affiliate)**

December 31, 2018

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## Report of Independent Certified Public Accountants

### Audit Committee

American Speech-Language-Hearing Association and Affiliate

We have audited the accompanying consolidated financial statements of American Speech-Language-Hearing Association and Affiliate (the Association) which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Speech-Language-Hearing Association and Affiliate as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 29 to 33 is presented for additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Arlington, Virginia  
May 23, 2019

American Speech-Language-Hearing Association and Affiliate

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2018

**ASSETS**

Cash and cash equivalents	\$ 48,476,959
Investments	49,251,047
Accounts receivable, net	1,119,497
Receivable from affiliates	91,760
Prepaid expenses	788,767
Accrued interest receivable	65,570
Other assets	364,254
Property and equipment, net	<u>37,798,892</u>

Total assets \$ 137,956,746

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable—trade	\$ 3,049,857
Payable to affiliates	3,580,505
Accrued salaries and accumulated leave	4,536,345
Postretirement insurance payable	11,894,136
Retirement fund payable	17,821,361
Self-insured medical plan obligation	569,150
Mortgage interest payable	22,998
Mortgage payable	1,546,210
Capital lease obligation	190,561
Interest rate swap	1,323,954
Deferred revenue	<u>35,964,215</u>

Total liabilities 80,499,292

**NET ASSETS WITHOUT DONOR RESTRICTIONS** 57,457,454

Total liabilities and net assets \$ 137,956,746

The accompanying notes are an integral part of this consolidated financial statement.

**American Speech-Language-Hearing Association and Affiliate**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

**Year ended December 31, 2018**

**Operating revenue**

Member dues	\$ 42,281,661
Convention	7,004,698
Continuing education	4,137,065
Educational programs and products	3,077,794
Special interest groups	1,521,476
Publications:	
ASHA Leader	839,303
JSLHR	392,449
LSHSS	92,430
AJA	53,480
AJSLP	82,928
CAA	784,820
Rental revenue	730,548
Non-member certification fees	655,229
ASHA web site	649,736
Membership list rentals	470,614
Recruitment and retention	448,531
Special reports and brochures	295,053
Other revenue	277,232
Professional practices	88,238
Grants and contracts	69,206
Governmental affairs	26,510
Public information	14,678
Clinical certification	8,732
Multicultural affairs	6,873
Academic affairs	6,506
Research	4,523
	64,020,313
Total Operating revenue	

**Operating expenses**

Program Expenses	
Convention	5,789,818
Continuing education	2,707,208
Educational programs and products	2,659,086
Special interest groups	1,784,449
Publications:	
ASHA Leader	2,842,015
JSLHR	481,759
LSHSS	268,860
AJA	278,602
AJSLP	320,520
ASHA web site	3,143,730
CAA	1,408,501
Recruitment and retention	1,192,091

The accompanying notes are an integral part of this consolidated financial statement.

**American Speech-Language-Hearing Association and Affiliate**

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS - CONTINUED**

**Year ended December 31, 2018**

**Operating expenses - continued**

Program Expenses - continued	
Special reports and brochures	\$ 514,043
Grants and contracts	69,206
Professional practices	3,515,263
Governmental affairs	4,074,777
Public information	3,384,394
Multicultural affairs	1,252,707
Academic affairs	1,322,723
Research	3,017,556
Clinical certification	2,424,658
Specialty certification	62,056
Ethics	730,988
International	167,145
Governance	1,958,006
Contingency	193,980
Contribution to ASHA Foundation	1,978,110
Awards	44,660
Chapters and chapters administration	18,745
Housing Fund	<u>1,184,568</u>
Total program expenses	48,790,224
General and administrative	<u>15,477,253</u>
Total operating expenses	<u>64,267,477</u>
Excess of operating expenses over revenues	247,164

**Nonoperating activities**

Pension related loss other than net periodic benefit cost	3,053,009
Return on investments, net	(2,215,847)
Gain on interest rate swap	397,804
Gain on postretirement insurance payable	2,712,683
Other	<u>(3,394)</u>
Total nonoperating activities	<u>3,944,255</u>

**CHANGE IN NET ASSETS**

<b>Net assets without donor restrictions, January 1</b>	<u>53,760,363</u>
<b>Net assets without donor restrictions, December 31</b>	<u><u>\$ 57,457,454</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

**American Speech-Language-Hearing Association and Affiliate**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2018**

	<b>Scholarly Publications</b>	<b>Standards &amp; Ethics</b>	<b>Science and Research &amp; Academic Affairs</b>	<b>Public Relations &amp; Government Relations &amp; Public Policy</b>	<b>Professional Practices &amp; Education</b>	<b>Communication &amp; Member Services</b>	<b>Governance &amp; General Administration</b>	<b>Grants</b>	<b>Building</b>	<b>Eliminations</b>	<b>2018 Consolidated Total</b>
<b>Expenses</b>											
Personnel	\$ 523,190	\$ 3,645,093	\$ 3,580,070	\$ 4,580,111	\$ 10,404,004	\$ 4,853,362	\$ 16,348,588	\$ -	\$ -	\$ (4,167,132)	\$ 39,767,286
Depreciation	-	-	-	-	-	-	1,034,950	-	1,144,902	-	2,179,852
Repairs and maintenance	(4,927)	-	9,554	-	-	18,718	826,665	-	122,236	-	972,246
Equipment/space rental	-	-	-	5,603	57,092	-	971,280	-	139,100	(825,045)	348,030
Convention	-	-	-	-	395,413	-	-	-	-	-	395,413
Supplies/other	12,211	36,669	120,689	38,462	619,260	271,729	310,188	-	-	-	1,409,208
Postage	434	34,336	16,872	1,610	55,708	77,517	239,581	-	-	-	426,058
Telecommunication	-	314	2,476	21,721	10,072	210	104,163	-	-	-	138,956
Meeting/projects/food & beverage	-	280,803	449,877	235,856	1,582,532	154,825	286,374	69,206	-	-	3,059,473
Officers	66,200	-	789	-	-	-	381,261	-	-	-	448,250
Advisory council	-	-	-	-	174,870	-	-	-	-	-	174,870
Committees and boards	86,054	134,726	49,434	106,442	128,077	-	337,238	-	-	-	841,971
Professional services	480,854	125,965	9,415	1,780,317	3,362,978	810,542	1,575,472	-	88,902	(330,929)	7,903,516
Bank fees	-	-	-	-	-	-	1,032,307	-	-	-	1,032,307
Multimedia/other products	-	-	-	-	13,973	199,418	-	-	-	-	213,391
Contributions/sponsorships	-	7,222	-	200,000	57,691	-	1,991,910	-	-	-	2,256,823
Other	42,321	292,974	289,051	480,581	864,378	397,758	(1,379,082)	-	514,473	-	1,502,454
Indirect cost	-	-	-	-	-	(203,339)	(239,929)	-	-	-	(443,268)
Publishing	142,507	-	-	723	-	1,497,411	-	-	-	-	1,640,641
<b>Total expenses</b>	<b>\$ 1,348,844</b>	<b>\$ 4,558,102</b>	<b>\$ 4,528,227</b>	<b>\$ 7,451,426</b>	<b>\$ 17,726,048</b>	<b>\$ 8,078,151</b>	<b>\$ 23,820,966</b>	<b>\$ 69,206</b>	<b>\$ 2,009,613</b>	<b>\$ (5,323,106)</b>	<b>\$ 64,267,477</b>

The accompanying notes are an integral part of this consolidated financial statement.



**American Speech-Language-Hearing Association and Affiliate**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**Year ended December 31, 2018**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 3,697,091
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,179,852
Loss on fixed assets disposal	3,144
Realized gain on sale of investments	(1,457,608)
Unrealized loss on investments	4,593,915
Unrealized gain on interest rate swap	(397,804)
Gain on postretirement insurance payable	(2,712,683)
Pension related gain other than net periodic benefit cost	(3,053,009)
Changes in operating assets and liabilities:	
Accounts receivable, net	(194,392)
Receivable from affiliates	20,536
Prepaid expenses and inventory	85,070
Accrued interest receivable	(4,795)
Other assets	(29,053)
Accounts payable	1,388,759
Payable to affiliates	897,558
Accrued salaries and accumulated leave	384,021
Postretirement insurance payable	985,283
Retirement fund payable	183,296
Self-insured medical plan obligation	75,400
Mortgage interest payable	(8,739)
Deferred revenue	176,374
Net cash provided by operating activities	<u>6,812,216</u>
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment	(1,591,989)
Purchases of investments	(47,378,401)
Proceeds from sales of investments	<u>46,432,716</u>
Net cash used in investing activities	<u>(2,537,674)</u>
<b>Cash flows from financing activities:</b>	
Principal payments on mortgage payable	(600,000)
Payments on capital lease obligations	<u>(45,680)</u>
Net cash used in financing activities	<u>(645,680)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,628,862
<b>Cash and cash equivalents, January 1</b>	<u>44,848,097</u>
<b>Cash and cash equivalents, December 31</b>	<u>\$ 48,476,959</u>
<b>Supplemental cash flow disclosure:</b>	
Cash paid for interest	<u>\$ 325,618</u>
Cash paid for taxes	<u>\$ 250</u>

The accompanying notes are an integral part of this consolidated financial statement.

## American Speech-Language-Hearing Association and Affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Organization and Business Combination**

The American Speech-Language-Hearing Association (ASHA) is a not-for-profit professional association. Its mission is to empower and support audiologists, speech-language pathologists, and speech, language, and hearing scientists through advancing science, setting standards, fostering excellence in professional practice, and advocating for members and those they serve. ASHA's primary sources of revenue are membership dues, annual convention, continuing education registry fees and educational programs.

In 2014, ASHA and National Student Speech Language Hearing Association (NSSLHA) were consolidated as a result of the change in relationship as outlined in NSSLHA's bylaws. NSSLHA is an affiliated not-for-profit organization of undergraduate students and Master's candidates, which provides students interested in the study of speech, hearing and language disorders with professional information in the areas of audiology and speech-language pathology.

The consolidated financial statements include the accounts of ASHA and NSSLHA. All significant intercompany balances and transactions have been eliminated in the consolidation.

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

##### **Basis of Accounting**

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

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

##### **Cash Equivalents**

The Association considers all highly liquid debt instruments with an original 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 consolidated statement of activities and change in net assets. 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.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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 accounts 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.

**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 between three and ten years.

**Deferred Revenue**

Deferred revenue principally represents amounts received in advance for member dues and certification revenue, which are applicable to subsequent accounting periods and subscriptions to periodicals, which are to be subsequently issued.

**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 consolidated statement of activities and change in net assets.

**Income Taxes**

ASHA is exempt from federal income tax under IRC section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. NSSLHA has been granted exemption from most income taxes under Section 501(c)(3) of the Code and is classified as an organization which is not a private foundation under Section 509(a) of the Code. Both ASHA and NSSLHA have processes presently in place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine their filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. The tax years ending December 31, 2018, 2017, 2016 and 2015 are still open to audit for both federal and state purposes. ASHA and NSSLHA have determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

For the year ended December 31, 2018, ASHA reported unrelated business income tax, for federal and state purposes, which is immaterial for financial statement purposes and is offset by net operating loss carryforwards available.

## American Speech-Language-Hearing Association and Affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

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

##### Income Taxes - Continued

For the year ended December 31, 2018, NSSLHA reported unrelated business income tax, for federal and state purposes, which is immaterial for financial statement purposes.

ASHA and NSSLHA follow guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The adoption of ASC 740-10 did not have a material impact on the consolidated financial statements, as management determined that there are no uncertain tax positions within the consolidated financial statements.

##### 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.

##### Adoption of New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The Association adopted ASU 2016-14 during fiscal 2018 and the significant changes include:

- Requiring the presentation of two net asset classes - “net assets without donor restrictions” and “net assets with donor restrictions”;
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature either in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Adoption of New Accounting Pronouncement - Continued**

Net assets and changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

- *Net Assets Without Donor Restriction*

Represent net assets which are not subject to donor-imposed stipulations and are fully available to be utilized in any of the Association's programs or supporting services.

- *Net Assets With Donor Restriction*

Represent net assets which are subject to donor-imposed stipulations whose use is restricted by time and/or purpose. The Association did not have any net assets with donor restrictions for the year ended December 31, 2018.

**Measure of Operations**

The Association reports as part of operations all activities except for pension changes other than net periodic benefit cost, investment return, gain/loss on interest rate swap, gain/loss on postretirement insurance payable, and other items, if any, which are unusual or nonrecurring in nature.

**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, 2018, the amount held in excess of the FDIC insurable limit of \$250,000 was approximately \$47,049,000.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE B - FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2018, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, follow:

Financial assets:	
Cash and cash equivalents	\$ 48,476,959
Investments	49,251,047
Accounts receivable, net	1,119,497
Receivable from affiliates	91,760
Accrued interest receivable	<u>65,570</u>
 Total financial assets available within one year	 99,004,833
 Less: Board-designated net assets	 <u>(81,924,679)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 17,080,154</u>

The Association maintains cash balances at a level designed to ensure short-term liquidity. A suitable proportion of the Association's investment balances are held in instruments that can readily be converted to cash, if needed. The Association prepares and monitors a 12-month rolling cash-flow forecast in order to identify and address any threats to short-term liquidity.

**NOTE C - RELATED PARTIES**

**Receivables and Payables**

The Association is affiliated with several smaller organizations for which criteria for consolidation have not been met. The organizations are related through common exempt purpose, and the Association processes certain cash receipts and disbursements for these organizations. The following is a schedule of the accounts receivable and payable and other amounts due, as discussed below, with the affiliated organizations as of December 31, 2018:

	<u>Accounts Receivable</u>	<u>Accounts Payable</u>
American Speech-Language-Hearing Association		
Political Action Committee	\$ -	\$ 19,912
American Speech-Language-Hearing Foundation	91,093	3,360,517
National Association for Hearing and Speech Action	<u>667</u>	<u>200,076</u>
	<u>\$ 91,760</u>	<u>\$ 3,580,505</u>

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE C - RELATED PARTIES - Continued**

**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 2022. The Association has recorded a liability of \$3,270,546 as of December 31, 2018 for contributions due in future years. In addition, the Association has made in-kind contributions for indirect and administrative services of \$290,891 to the Foundation during the year ended December 31, 2018. The Association's commitments are expected to be paid as follows:

Less than one year	\$ 795,230
One to five years	2,582,052
Less: Discounts (2.5% - 3.5%)	<u>(106,736)</u>
	<u>\$ 3,270,546</u>

**Contribution to the National Association for Hearing and Speech Action**

The ASHA's Board of Directors made a contribution of \$200,000 to National Association for Hearing and Speech Action (NAHSA) for the Strategic Pathway for Excellence program. This amount was included in the payable to affiliates in the accompanying consolidated statement of financial position as of December 31, 2018. In addition, the Association has made in-kind contributions for administrative services of \$55,865 to NAHSA during the year ended December 31, 2018.

**NOTE D - INVESTMENTS**

Investments consist of the following as of December 31, 2018:

	<u>Cost</u>	<u>Market Value</u>
Investments for designated long-term use:		
Cash equivalents	\$ 2,049,680	\$ 2,049,680
US government and agency bonds	11,164,653	11,231,966
Corporate bonds	4,811,006	4,765,784
Common stock	11,577,691	13,281,661
Mutual funds	17,573,068	17,891,033
Certificates of deposit	<u>30,923</u>	<u>30,923</u>
	<u>\$ 47,207,021</u>	<u>\$ 49,251,047</u>

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE D - INVESTMENTS** - Continued

Investments were recorded at market value as of December 31, 2018 based on the following level of hierarchy:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash equivalents	\$ 2,049,680	\$ -	\$ -	\$ 2,049,680
US government and agency bonds	5,891,427	5,340,539	-	11,231,966
Corporate bonds	-	4,765,784	-	4,765,784
Common stock	13,281,661	-	-	13,281,661
Mutual funds	17,891,033	-	-	17,891,033
Certificates of deposit	-	30,923	-	30,923
	<b>\$ 39,113,801</b>	<b>\$ 10,137,246</b>	<b>\$ -</b>	<b>\$ 49,251,047</b>

The following is a description of the valuation methodologies used by the Association for investments measured at market 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 and agency bonds and corporate bonds:** U.S. government agency and corporate bonds are valued at quoted prices in an active market and 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 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. If quoted prices in an active market are not available, the funds are valued using a discounted cash flow model and are classified within Level 2 of the fair value hierarchy.

**Certificates of deposit:** Certificates of deposit are not quoted in an active market and are classified within Level 2 of the fair value hierarchy.



**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE E - ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following as of December 31, 2018:

Advertising	\$ 307,186
Publications and mailing lists	200,174
Research grants	34,750
Other	<u>628,343</u>
	1,170,453
Less: allowance for uncollectible accounts	<u>(50,956)</u>
	<u><u>\$ 1,119,497</u></u>

**NOTE F - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31, 2018:

Building/building improvement/land improvement	\$ 37,273,619
Furniture and fixtures	1,998,931
Leasehold improvements	1,819,340
Equipment	838,762
Computers and software	<u>12,672,172</u>
Total depreciable assets	54,602,824
Accumulated depreciation	<u>(25,709,752)</u>
Depreciable property and equipment, net	28,893,072
Software development in progress	950,022
Art/statues	121,113
Land - headquarters	<u>7,834,685</u>
Total property and equipment, net	<u><u>\$ 37,798,892</u></u>

Included in property and equipment, net is office equipment acquired under capital lease arrangements with a cost of \$268,823, and accumulated amortization of \$138,546 as of December 31, 2018.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE G - RETIREMENT PLANS**

**Defined Benefit Retirement Plan**

The Association has a noncontributory defined benefit retirement plan covering some ASHA employees and some 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. In 2017, the Association opened a cash-balance benefit feature within its defined benefit plan, where all eligible employees hired after 2003, are eligible to receive a quarterly pay credit of 3.5% of their eligible compensation and a quarterly interest credit of 5% of their cash balance account.

The Association records the under-funded status of the defined benefit retirement plan as a liability in the consolidated statement of financial position and as a reduction of unrestricted net assets in the consolidated statement of activities and change in net assets.

The accumulated benefit obligation for the retirement plan was \$88,074,123 as of December 31, 2018. The plan's funded status recognized in the consolidated statement of financial position as of December 31, 2018 was as follows:

Plan assets at fair value	\$ 74,217,761
Projected benefit obligation	<u>(92,039,122)</u>
Funded status (liability)	<u>\$ (17,821,361)</u>

The components of net periodic benefit cost for the year ended December 31, 2018 are as follows:

Service cost	\$ 2,806,517
Interest cost	3,599,814
Expected return on plan assets	(5,092,842)
Amortization of prior service cost	11,979
Amortization of net loss	<u>1,282,828</u>
	2,608,296
Less: Allocation to Foundation	<u>(28,130)</u>
Net Association periodic benefit cost	<u>\$ 2,580,166</u>

For the year ended December 31, 2018, employer contributions and benefits paid were as follows:

Employer contributions	<u>\$ 2,425,000</u>
Benefits paid	<u>\$ (4,158,978)</u>

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE G - RETIREMENT PLANS - Continued**

**Defined Benefit Retirement Plan - Continued**

Amounts not recognized in 2018 net periodic benefit cost reported as an increase to net assets without donor restrictions in the accompanying consolidated statement of activities and change in net assets are as follows:

Net loss	\$ (1,758,202)
Amortization of net loss	(1,282,828)
Amortization of prior service cost	<u>(11,979)</u>
	<u>\$ (3,053,009)</u>

Amounts that have not yet been recognized as components of net periodic benefit cost but are included in the net assets without donor restrictions are as followed:

Net loss	\$ 25,537,890
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Estimated amortization to be included in net periodic benefit cost for the year ended December 31, 2019 is as follows:

Net loss	\$ 1,130,379
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The following key assumptions were used by the actuary to compute net periodic benefit cost as of December 31, 2018:

Weighted-average discount rate	3.70%
Weighted-average compensation increase	3.50%
Weighted-average expected long-term rate of return on plan assets	6.50%

The following key assumptions were used by the actuary to determine the benefit obligations as of December 31, 2018:

Weighted-average discount rate	4.30%
Weighted-average compensation increase	3.50%

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.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE G - RETIREMENT PLANS - Continued**

**Defined Benefit Retirement Plan - Continued**

The fair values of the Association's defined benefit retirement plan assets as of December 31, 2018 by asset category are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Reported at NAV</u>	<u>Total</u>
Pooled separate accounts	\$ -	\$ -	\$ -	\$ 57,117,260	\$ 57,117,260
Collective trust fund	-	-	-	4,401,305	4,401,305
Guaranteed deposits	-	-	11,166,021	-	11,166,021
Common stock	1,533,175	-	-	-	1,533,175
	<u>\$ 1,533,175</u>	<u>\$ -</u>	<u>\$ 11,166,021</u>	<u>\$ 61,518,565</u>	<u>\$ 74,217,761</u>

The table below presents additional information for the Association's investments, as of December 31, 2018, whose fair value is estimated using the practical expedient of reported net assets value (NAV). These disclosures are required for all investments that are eligible to be valued using the practical expedient regardless of whether the practical expedient has been applied.

	<u>Fair Value as of 12/31/2018</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled separate accounts	\$ 57,117,260	None	Daily	Daily
Collective trust fund	4,401,305	None	Quarterly	45 days
	<u>\$ 61,518,565</u>			

A roll forward of the Level 3 assets to December 31, 2018 is as follows:

Beginning balance as of December 31, 2017	\$ 13,073,720
Interest credited during the year	376,317
Transfers in	2,250,000
Disbursements from fund to pay benefits	(4,179,624)
Other decreases, net	(262,265)
Unrealized gains	<u>(92,127)</u>
Ending balance as of December 31, 2018	<u>\$ 11,166,021</u>

The following is a description of the investments measured at fair value:

***Pooled separate accounts:*** The fair value of the plan's interest in pooled separate accounts is based on each fund's daily NAV, which is considered by management to the best approximation of fair value. Data for NAVs are available daily to the plan administrators and client investors on the plan administrator's website, and provides sufficient corroborative evidence to ascertain the relationship between each fund's NAV and the value of individual underlying holdings. Underlying holdings are primarily valued using market quotations or prices obtained from independent pricing sources. There are no unfunded commitments from participants in the plan who invest in these accounts.

American Speech-Language-Hearing Association and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

NOTE G - RETIREMENT PLANS - Continued

**Defined Benefit Retirement Plan** - Continued

**Collective trust fund:** The collective trust fund is valued based on the fund's monthly NAV, which is considered by management to be the best approximation of fair value. The unit value of the fund is calculated monthly and available to the administrator of the fund. Underlying holdings are primarily valued using independent appraisals or independent pricing sources. There are no unfunded commitments from participants in the Plan who invest in this account.

**Guaranteed deposits:** Investments in an insurance contract are valued based on the contract value which approximates fair value and are classified within Level 3 of the fair value hierarchy.

**Additional Information**

The measurement date in 2018 for purposes of determining the fair value of plan assets and the measured pension benefit cost for balance sheet and disclosure was December 31, 2018. The weighted average asset allocations for the funds are as follows for December 31, 2018:

<b>Asset Category:</b>	
Pooled separate accounts	79 %
Collective trust	6
Guaranteed deposits	<u>15</u>
	<u>100%</u>

Target allocation percentages are 78 percent pooled separate accounts, 5 percent collective trust, and 17 percent guaranteed deposits.

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.

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

<b>Defined Benefit Retirement Plan</b>	
2019	\$ 4,063,939
2020	\$ 4,393,958
2021	\$ 4,636,881
2022	\$ 4,915,403
2023	\$ 5,269,070
2024-2028	\$ 29,481,089

The Association expects to contribute approximately \$2,400,000 to its defined benefit retirement plan in 2019.

American Speech-Language-Hearing Association and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

**NOTE G - RETIREMENT PLANS - Continued**

**401(k) Plan**

The Association has a defined contribution plan which qualifies under Section 401(k) of the IRC. The plan provides that each eligible Association's 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 contributions from ASHA into their respective 401(k) plans.

In January 2017, the Association revised its defined contribution plan, providing that eligible employees are entitled on the date of hire, to receive a matching contribution equal to a uniform percentage or dollar amount of their elective deferral, plus an employer's discretionary non-elective contribution. Total matching and non-elective contributions made to the plan for the year ended December 31, 2018 were \$495,115.

**Postretirement Medical and Life Insurance Plan**

The Association makes available certain postretirement benefits to qualifying retirees under an insured health plan.

The changes in benefit obligation and plan assets for the postretirement medical and life insurance plan are as follows:

<b>Benefit obligation at beginning of year:</b>	\$ 13,621,536
Service cost	821,205
Interest cost	534,338
Actuarial loss	(2,777,608)
Plan participant contributions	168,564
Benefits paid	<u>(473,899)</u>
Benefit obligation at end of year	<u>\$ 11,894,136</u>
<b>Fair value of plan assets at beginning of year:</b>	\$ 305,335
Employer contributions	168,564
Plan participants' contributions	<u>(473,899)</u>
Benefits paid	
Fair value of plan assets at end of year	<u>\$ -</u>
Funded status liability at end of year	<u>\$ 11,894,136</u>

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE G - RETIREMENT PLANS - Continued**

**Postretirement Medical and Life Insurance Plan - Continued**

The impact of 1% change in health care inflation on the services and interest cost for the period and the benefit obligation are as follows:

**Increase of 1% change in trend:**

Service and Interest Cost	\$ 359,746
APBO as of December 31, 2018	\$ 2,252,757

**Decrease of 1% change in trend:**

Service and Interest Cost	\$ (259,095)
APBO as of December 31, 2018	\$ (1,712,032)

The following key assumptions were used by the actuary to determine the benefit obligation as of December 31, 2018:

Discount rate	4.45%
Initial medical trend rate	6.75%

The following key assumptions were used by the actuary to determine the periodic postretirement benefit cost for the year ending December 31, 2018:

Discount rate	3.95%
Initial medical trend rate	6.25%

The Association expects to contribute approximately \$261,158 to its postretirement medical and life insurance plan in 2019.

Benefit payments are expected to be paid as follows:

2019	\$ 261,158
2020	\$ 294,216
2021	\$ 307,048
2022	\$ 304,680
2023	\$ 339,228
2024-2028	\$ 2,203,355

**Employee Health Care Benefits**

The Association operated under a "pay as you go" model for employee health benefits with obligations being funded from general corporate assets. For the year ended December 31, 2018, expenses for the Association's health benefits totaled \$4,234,207. As of December 31, 2018, the Association's liability related to these benefits totaled approximately \$569,150, which is included in the self-insured medical plan obligation in the accompanying consolidated statement of financial position.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE G - RETIREMENT PLANS - Continued**

**Deferred Compensation Plan**

The Association has two 457(b) deferred compensation plans, the "457 Plan". The 457 Plans are nonqualified deferred compensation plans subject to the provisions of the Internal Revenue Code Section 457. Until paid or made available to the participants, all deferred amounts and investment earnings related to deferral amounts are solely the property and rights of the Association and are subject to the claims of the Association's creditors. The participants' rights under the 457 Plans are equal to those of a general creditor of the Association.

The first 457(b) deferred compensation plan limits plan participation to one of the Association's executives. The Association's plan assets are \$308,198 for the year ended December 31, 2018.

The second 457(b) deferred compensation plan is a "Top Hat" plan limiting plan participation to a select group of management or highly compensated employees. This plan was established October 1, 2018. The Association's plan assets are \$40,190 for the year ended December 31, 2018.

The Association's plan assets and liabilities for both plans are included in other assets and accounts payable in the accompanying consolidated statement of financial position.

**NOTE H - COMMITMENTS**

**Operating Leases**

In 2017, the Association extended its building lease at the Washington D.C. location until 2026. Monthly rent payment is \$9,248, with a rent escalation of 2.25% per annum.

The Association also leases office equipment under non-cancelable operating leases expiring at various dates through 2022. The minimum rental for these commitments is as follows:

Year ending December 31,	
2019	\$ 181,710
2020	184,263
2021	147,970
2022	121,311
2023	124,041
Thereafter	<u>389,120</u>
	<u>\$ 1,148,415</u>

Rental expense for all operating leases was \$179,212 for the year ended December 31, 2018.



**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE H - COMMITMENTS - Continued**

**Operating Leases - Continued**

The Association entered into non-cancelable lease agreements, as landlord, relating to office space within its headquarters. Rental income received is used by the Association to pay the mortgage payable relating to the property acquisition and construction of the headquarters in 2005. The future rental receipts expected under the non-cancelable operating leases are as follows:

Year ending December 31,	
2019	\$ 729,443
2020	554,881
2021	479,597
2022	427,986
2023	414,445
Thereafter	<u>1,839,983</u>
	<u>\$ 4,446,335</u>

**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 consolidated financial statements.

**NOTE I - DEBT**

**Line-of-Credit**

The Association maintains a \$2,500,000 line-of-credit, which was established to meet temporary cash flow needs. Interest is at the LIBOR rate plus 1.5% per annum. The line-of-credit expired on October 27, 2018 and was not renewed. There was no balance outstanding as of December 31, 2018.

**Mortgage Payable**

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 the LIBOR plus 55 basis points. The mortgage payable outstanding as of December 31, 2018 was \$1,546,210. The loan was drawn upon from two separate accounts, Tranche A and Tranche B, with maximum amounts of \$18,000,000 and \$25,000,000, respectively. Tranche A was fully paid in January, 2014. As of December 31, 2018, the interest rate on Tranche B was 2.9%. Total interest expense related to the mortgage was \$311,794 for the year ended December 31, 2018.

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 and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE I - DEBT - Continued**

**Mortgage Payable** - Continued

Principal payments of debt obligations are payable as follows:

Year ending December 31,	
2019	\$ 600,000
2020	600,000
2021	<u>346,210</u>
Total	<u>\$ 1,546,210</u>

**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% on the current notional principal balance of \$8,450,000 and the Association receive a LIBOR-based variable rate of 2.35% as of December 31, 2018. 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 of \$1,323,954 as of December 31, 2018. A corresponding unrealized gain on the interest-rate swap of \$397,804 has been recorded in the consolidated statement of activities and change in net assets. The fair value of the interest-rate swap was determined using pricing models based on observable market data, such as prices of instruments with similar maturities and characteristics, interest rate yield curves, and measures of interest rate volatility. Accordingly, the interest-rate swap is included in Level 2 of the fair value hierarchy.

**NOTE J - OBLIGATION UNDER CAPITAL LEASES**

The following is a schedule of annual future minimum lease payments under the Association's capital lease arrangements for office equipment together with the present value of the minimum lease payments as of December 31, 2018:

December 31,	
2019	\$ 47,994
2020	47,994
2021	47,994
2022	47,994
Thereafter	<u>7,999</u>
Total future minimum lease payments	199,975
Less: amount representing interest	<u>(9,414)</u>
Present value of minimum lease payments	<u>\$ 190,561</u>

Interest expense related to the capital leases was \$4,898 for the year ended December 31, 2018.

**American Speech-Language-Hearing Association and Affiliate**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2018**

**NOTE K - 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 as of December 31, 2018 is \$381,505.

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 as of December 31, 2018 is \$32,874,590.

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 as of December 31, 2018 is \$48,668,584.

**NOTE L - SUBSEQUENT EVENTS**

The Association evaluated its December 31, 2018 consolidated financial statements for subsequent events through May 23, 2019, 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 consolidated financial statements.

## **Supplementary Information**

**American Speech-Language-Hearing Association and Affiliate**

**STATEMENT OF FINANCIAL POSITION BY ENTITY**

**December 31, 2018**

	<u>ASHA</u>	<u>NSSLHA</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 48,030,678	\$ 446,281	\$ -	\$ 48,476,959
Investments	48,668,586	582,461	-	49,251,047
Accounts receivable, net	1,112,357	7,140	-	1,119,497
Receivable from affiliates	91,760	30,816	(30,816)	91,760
Prepaid expenses and inventory	783,794	245,627	(240,654)	788,767
Accrued interest receivable	65,570	-	-	65,570
Other assets	364,254	-	-	364,254
Property and equipment, net	37,798,892	-	-	37,798,892
	<u>\$ 136,915,891</u>	<u>\$ 1,312,325</u>	<u>\$ (271,470)</u>	<u>\$ 137,956,746</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable—trade	\$ 3,038,718	\$ 11,140	\$ -	\$ 3,049,858
Payable to affiliates	3,606,321	5,000	(30,816)	3,580,505
Accrued salaries and accumulated leave	4,536,345	-	-	4,536,345
Postretirement insurance payable	11,894,136	-	-	11,894,136
Retirement fund payable	17,821,361	-	-	17,821,361
Self-insured medical plan obligation	569,150	-	-	569,150
Mortgage interest payable	22,998	-	-	22,998
Mortgage payable	1,546,210	-	-	1,546,210
Capital lease obligation	190,561	-	-	190,561
Interest rate swap	1,323,954	-	-	1,323,954
Deferred revenue	35,739,174	465,694	(240,654)	35,964,214
	<u>80,288,928</u>	<u>481,834</u>	<u>(271,470)</u>	<u>80,499,292</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>56,626,963</u>	<u>830,491</u>	<u>-</u>	<u>57,457,454</u>
Total liabilities and net assets	<u>\$ 136,915,891</u>	<u>\$ 1,312,325</u>	<u>\$ (271,470)</u>	<u>\$ 137,956,746</u>

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.

American Speech-Language-Hearing Association and Affiliate

SCHEDULE OF CONSOLIDATING REVENUES AND EXPENSES BY NATURAL CLASSIFICATION

Year ended December 31, 2018

	ASHA				NSSLHA			Total All Funds
	Operating Fund	Grant and Contract Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	
<b>Operating Revenue</b>								
Member dues	\$ 39,457,732	\$ -	\$ 1,558,007	\$ -	\$ 41,015,739	\$ 763,681	\$ -	\$ 41,779,420
Convention	6,403,782	-	-	-	6,403,782	6,793	-	6,410,575
Continuing education	4,137,065	-	-	-	4,137,065	-	-	4,137,065
Learning products	2,894,044	-	-	-	2,894,044	-	-	2,894,044
Other	1,825,790	69,206	44,068	-	1,939,064	46,961	(330,929)	1,655,096
Special interest group fees	1,465,349	-	-	-	1,465,349	-	-	1,465,349
Commercial advertising	866,775	-	-	-	866,775	49,027	-	915,802
Classified advertising	826,951	-	-	-	826,951	-	-	826,951
Rent	-	-	1,555,594	(825,045)	730,549	-	-	730,549
Non-member certification fees	636,203	-	19,026	-	655,229	-	-	655,229
CAA	784,820	-	-	-	784,820	-	-	784,820
Contributions/sponsorships	398,450	-	-	-	398,450	17,505	-	415,955
Other membership fees	502,241	-	-	-	502,241	-	-	502,241
Subscriptions	453,900	-	-	-	453,900	-	-	453,900
Other publications	334,732	-	-	-	334,732	187	-	334,919
Self-Insurance	-	-	4,167,132	(4,167,132)	-	-	-	-
Interest on Housing Fund advance	134,048	-	(134,048)	-	-	-	-	-
Affiliates	58,398	-	-	-	58,398	-	-	58,398
<b>Total revenue</b>	<b>61,180,280</b>	<b>69,206</b>	<b>7,209,779</b>	<b>(4,992,177)</b>	<b>63,467,088</b>	<b>884,154</b>	<b>(330,929)</b>	<b>64,020,313</b>
<b>Operating Expense</b>								
Salaries staff	28,597,433	-	158,350	-	28,755,783	247,725	-	29,003,508
Other personnel costs	10,631,068	-	4,299,843	(4,167,132)	10,763,779	-	-	10,763,779
Professional services	6,382,984	-	1,500,529	-	7,883,513	350,931	(330,929)	7,903,515
Depreciation	1,034,950	-	1,144,902	-	2,179,852	-	-	2,179,852
Meeting/projects/food and beverage	2,950,938	69,206	12,895	-	3,033,039	26,434	-	3,059,473
Other	954,779	-	533,425	-	1,488,204	14,250	-	1,502,454
Contributions/sponsorships	2,249,601	-	7,222	-	2,256,823	-	-	2,256,823
Publishing	1,640,641	-	-	-	1,640,641	-	-	1,640,641
Supplies/other	1,388,836	-	-	-	1,388,836	20,372	-	1,409,208
Repairs and maintenance	850,010	-	122,236	-	972,246	-	-	972,246
Bank fees	1,030,010	-	-	-	1,030,010	2,297	-	1,032,307
Committees and boards	806,214	-	-	-	806,214	35,757	-	841,971
Equipment/space rental	1,423,888	-	139,100	(825,045)	737,943	5,500	-	743,443
Postage	426,011	-	16	-	426,027	31	-	426,058
Indirect cost	(549,157)	-	-	-	(549,157)	105,889	-	(443,268)
Officers	448,250	-	-	-	448,250	-	-	448,250
Multimedia/other products	208,873	-	-	-	208,873	4,518	-	213,391
Telecommunication	138,510	-	-	-	138,510	446	-	138,956
Advisory council	174,870	-	-	-	174,870	-	-	174,870
<b>Total Operating Expenses</b>	<b>60,788,709</b>	<b>69,206</b>	<b>7,918,518</b>	<b>(4,992,177)</b>	<b>63,784,256</b>	<b>814,150</b>	<b>(330,929)</b>	<b>64,267,477</b>
Excess of expense over revenues	(391,571)	-	708,739	-	317,168	(70,004)	-	247,164
<b>Nonoperating activities</b>								
Pension related loss other than net periodic benefit cost	3,053,009	-	-	-	3,053,009	-	-	3,053,009
Realized gain on investments	-	-	1,454,114	-	1,454,114	3,494	-	1,457,608
Unrealized loss on investments	-	-	(4,546,091)	-	(4,546,091)	(47,824)	-	(4,593,915)
Interest and dividends, net of management fees	904,780	-	-	-	904,780	15,680	-	920,460
Gain on interest rate swap	-	-	397,804	-	397,804	-	-	397,804
Gain on postretirement insurance payable	2,712,683	-	-	-	2,712,683	-	-	2,712,683
Other	(3,394)	-	-	-	(3,394)	-	-	(3,394)
<b>Total nonoperating activities</b>	<b>6,667,078</b>	<b>-</b>	<b>(2,694,173)</b>	<b>-</b>	<b>3,972,905</b>	<b>(28,650)</b>	<b>-</b>	<b>3,944,255</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 7,058,649</b>	<b>\$ -</b>	<b>\$ (3,402,912)</b>	<b>\$ -</b>	<b>\$ 3,655,737</b>	<b>\$ 41,354</b>	<b>\$ -</b>	<b>\$ 3,697,091</b>

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.

American Speech-Language-Hearing Association and Affiliate

STATEMENT OF CONSOLIDATING REVENUES AND EXPENSES BY FUND

Year ended December 31, 2018

	ASHA			Total ASHA Funds	NSSLHA		Total All Funds
	Operating Fund	Other Funds	Eliminations		Operating Fund	Eliminations	
<b>Operating revenue</b>							
Member dues	\$ 39,959,973	\$ 1,558,007	\$ -	\$ 41,517,980	\$ 763,681	\$ -	\$ 42,281,661
Convention	6,980,407	-	-	6,980,407	24,293	-	7,004,700
Continuing education	4,137,065	-	-	4,137,065	-	-	4,137,065
Educational programs and products	3,077,794	-	-	3,077,794	-	-	3,077,794
Special interest groups	1,521,476	-	-	1,521,476	-	-	1,521,476
Publications:							
ASHA Leader	839,303	-	-	839,303	-	-	839,303
JSLHR	392,449	-	-	392,449	-	-	392,449
LSHSS	92,430	-	-	92,430	-	-	92,430
AJA	53,480	-	-	53,480	-	-	53,480
AJSLP	82,928	-	-	82,928	-	-	82,928
Rental revenue	-	1,555,594	(825,045)	730,549	-	-	730,549
Non-member certification fees	636,203	19,026	-	655,229	-	-	655,229
ASHA web site	649,736	-	-	649,736	-	-	649,736
CAA	784,820	-	-	784,820	-	-	784,820
Membership list rentals	426,666	-	-	426,666	43,948	-	470,614
Recruitment and retention	448,531	-	-	448,531	-	-	448,531
Other revenue	561,075	44,068	-	605,143	3,018	(330,929)	277,232
Special reports and brochures	245,838	-	-	245,838	49,214	-	295,052
Grants and contracts	-	69,206	-	69,206	-	-	69,206
Professional practices	88,238	-	-	88,238	-	-	88,238
Governmental affairs	26,510	-	-	26,510	-	-	26,510
Public information	14,678	-	-	14,678	-	-	14,678
Multicultural affairs	6,873	-	-	6,873	-	-	6,873
Academic affairs	6,505	-	-	6,505	-	-	6,505
Research	4,522	-	-	4,522	-	-	4,522
Clinical certification	8,732	-	-	8,732	-	-	8,732
Specialty certification	-	-	-	-	-	-	-
Interest on Housing Fund advance	134,048	(134,048)	-	-	-	-	-
Self-Insurance	-	4,167,132	(4,167,132)	-	-	-	-
<b>Total operating revenue</b>	<b>\$ 61,180,280</b>	<b>\$ 7,278,985</b>	<b>\$ (4,992,177)</b>	<b>\$ 63,467,088</b>	<b>\$ 884,154</b>	<b>\$ (330,929)</b>	<b>\$ 64,020,313</b>

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American Speech-Language-Hearing Association and Affiliate

STATEMENT OF CONSOLIDATING REVENUES AND EXPENSES BY FUND - CONTINUED

Year ended December 31, 2018

	ASHA			Total ASHA Funds	NSSLHA		Total All Funds
	Operating Fund	Other Funds	Eliminations		Operating Fund	Eliminations	
<b>Operating expenses</b>							
Program Expenses							
Convention	\$ 5,716,439	\$ 12,151	\$ 2,179	\$ 5,730,769	\$ 59,051	\$ -	\$ 5,789,820
Continuing education	2,703,292	-	3,916	2,707,208	-	-	2,707,208
Educational programs and products	2,638,167	18,225	2,694	2,659,086	-	-	2,659,086
Special interest groups	1,726,953	55,383	2,113	1,784,449	-	-	1,784,449
Publications:							
ASHA Leader	2,840,258	-	1,757	2,842,015	-	-	2,842,015
JSLHR	481,466	-	293	481,759	-	-	481,759
LSHSS	268,661	-	199	268,860	-	-	268,860
AJA	278,405	-	198	278,603	-	-	278,603
AJSLP	320,312	-	208	320,520	-	-	320,520
ASHA web site	3,139,331	-	4,399	3,143,730	-	-	3,143,730
CAA	1,406,722	-	1,779	1,408,501	-	-	1,408,501
Recruitment and retention	1,122,284	-	1,509	1,123,793	68,298	-	1,192,091
Special reports and brochures	460,587	-	397	460,984	383,988	(330,929)	514,043
Grants and contracts	-	69,206	-	69,206	-	-	69,206
Professional practices	3,385,400	125,057	4,806	3,515,263	-	-	3,515,263
Governmental affairs	3,992,941	76,586	5,250	4,074,777	-	-	4,074,777
Public information	2,196,212	1,185,686	2,496	3,384,394	-	-	3,384,394
Multicultural affairs	1,250,809	-	1,898	1,252,707	-	-	1,252,707
Academic affairs	1,320,960	-	1,763	1,322,723	-	-	1,322,723
Research	3,013,492	-	4,064	3,017,556	-	-	3,017,556
Clinical certification	2,307,880	113,490	3,289	2,424,659	-	-	2,424,659
Specialty certification	61,957	-	98	62,055	-	-	62,055
Ethics	730,009	-	976	730,985	-	-	730,985
International	166,940	-	205	167,145	-	-	167,145
Governance	1,874,459	-	1,926	1,876,385	81,621	-	1,958,006
Contingency	193,980	-	-	193,980	-	-	193,980
Contribution to ASHA Foundation	1,978,110	-	-	1,978,110	-	-	1,978,110
Awards	-	-	-	-	44,660	-	44,660
Self-Insurance	-	4,234,207	(4,234,207)	-	-	-	-
Chapters and chapters administration	-	-	-	-	18,745	-	18,745
Housing Fund	-	2,009,613	(825,045)	1,184,568	-	-	1,184,568
<b>Total program expenses</b>	<b>45,576,026</b>	<b>7,899,604</b>	<b>(5,010,840)</b>	<b>48,464,790</b>	<b>656,363</b>	<b>(330,929)</b>	<b>48,790,224</b>
General and administrative	15,212,683	88,120	18,663	15,319,466	157,787	-	15,477,253
<b>Total operating expenses</b>	<b>\$ 60,788,709</b>	<b>\$ 7,987,724</b>	<b>\$ (4,992,177)</b>	<b>\$ 63,784,256</b>	<b>\$ 814,150</b>	<b>\$ (330,929)</b>	<b>\$ 64,267,477</b>

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American Speech-Language-Hearing Association and Affiliate

STATEMENT OF CONSOLIDATING REVENUES AND EXPENSES BY FUND - CONTINUED

Year ended December 31, 2018

	Operating Fund	Other Funds	Eliminations	Total ASHA Funds	NSSLHA Operating Fund	Total All Funds
Excess of operating expenses over revenues	\$ (391,571)	\$ 708,739	\$ -	\$ 317,168	\$ (70,004)	\$ 247,164
<b>Nonoperating activities</b>						
Pension related loss other than net periodic benefit cost	3,053,009	-	-	3,053,009	-	3,053,009
Return on investments, net	904,780	(3,091,977)	-	(2,187,197)	(28,650)	(2,215,847)
Gain on interest rate swap	-	397,804	-	397,804	-	397,804
Gain on postretirement insurance payable	2,712,683	-	-	2,712,683	-	2,712,683
Other	(3,394)	-	-	(3,394)	-	(3,394)
Total nonoperation activities	6,667,078	(2,694,173)	-	3,972,905	(28,650)	3,944,255
<b>CHANGE IN NET ASSETS</b>	<b>\$ 7,058,649</b>	<b>\$ (3,402,912)</b>	<b>\$ -</b>	<b>\$ 3,655,737</b>	<b>\$ 41,354</b>	<b>\$ 3,697,091</b>

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