



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

Consolidated Financial Statements
Year Ended December 31, 2019

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

Consolidated Financial Statements
Year Ended December 31, 2019

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

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Independent Auditor's Report

Audit Committee

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

We have audited the accompanying consolidated financial statements of **American Speech-Language-Hearing Association and National Student Speech Language Hearing Association (Affiliate)** (the Association), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, 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 entity'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 entity'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 financial position of **American Speech-Language-Hearing Association and National Student Speech Language Hearing Association (Affiliate)** as of December 31, 2019, 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 Matter

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

BDO USA, LLP

June 3, 2020

Consolidated Financial Statements

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

Consolidated Statement of Financial Position

December 31,

2019

Assets

Cash and cash equivalents	\$ 55,373,202
Accounts receivable, net	1,015,812
Accrued interest receivable	88,751
Receivable from affiliates	94,398
Prepaid expenses	632,817
Investments	58,726,260
Other assets	540,521
Property and equipment, net	37,912,963

Total assets	\$ 154,384,724
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Liabilities and net assets

Liabilities

Accounts payable - trade	\$ 2,886,387
Payable to affiliates	3,696,610
Accrued salaries and accumulated leave	4,914,610
Postretirement insurance payable	9,384,771
Retirement fund payable	18,098,222
Self-insured medical plan obligation	440,100
Mortgage interest payable	23,957
Mortgage payable	946,210
Capital lease obligation	430,368
Interest rate swap	1,607,018
Deferred compensation liability	526,659
Deferred revenue	43,314,281

Total liabilities	86,269,193
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Commitments and contingencies

Net assets without donor restrictions	68,115,531
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Total liabilities and net assets	\$ 154,384,724
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See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities

<i>Year ended December 31,</i>	2019
Revenue and support	
Member dues	\$ 44,167,615
Convention	5,493,212
Continuing education	4,473,971
Educational programs and products	3,497,648
Special interest group fees	1,709,263
Publications	1,352,320
Digital advertising and list rental	1,182,767
Council on Academic Accreditation	793,700
Non-member certification fees	684,358
Rental revenue	657,978
Recruitment and retention	425,749
Other revenue	815,433
Total revenue and support	65,254,014
Expenses	
Program services:	
Professional practices and education	17,228,133
Communications and member services	7,858,996
Public and government relations and public policy	7,825,871
Science, research and academic affairs	4,903,125
Standards and ethics	4,857,763
Governance	2,229,879
Building	1,786,669
Scholarly publications	1,386,605
Grants	70,771
Total program services	48,147,812
Supporting services:	
General and administrative	15,984,328
Total expenses	64,132,140
Change in net assets without donor restrictions from operations	1,121,874
Nonoperating activities	
Pension related loss other than net periodic benefit cost	(1,234,459)
Investment return, net	9,664,499
Loss on interest rate swap	(283,064)
Gain on postretirement insurance payable	3,139,750
Other	(3,478)
Total nonoperating activities	11,283,248
Change in net assets without donor restrictions	12,405,122
Net assets without donor restrictions, beginning of year	57,457,454
Cumulative effect of a change in accounting principle related to revenue recognition	(1,747,045)
Net assets without donor restrictions, end of year	\$ 68,115,531

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Functional Expenses

Year ended December 31, 2019	Program Services									Supporting Services		Total Expenses
	Professional Practices and Education	Communications and Member Services	Public and Government Relations and Public Policy	Science, Research and Academic Affairs	Standards and Ethics	Governance	Building	Scholarly Publications	Grants	Total Program Services	General and Administrative	
Personnel	\$ 10,320,741	\$ 4,684,572	\$ 5,000,928	\$ 3,713,931	\$ 3,765,705	\$ 1,118,752	\$ -	\$ 499,717	\$ -	\$ 29,104,346	\$ 11,050,602	\$ 40,154,948
Professional services	3,159,396	558,662	1,854,946	169,231	156,700	133,362	32,217	448,370	-	6,512,884	1,650,284	8,163,168
Meetings, projects, food and beverage	1,494,321	193,945	298,696	481,425	329,083	89,728	-	-	70,771	2,957,969	210,405	3,168,374
Depreciation	-	-	-	-	-	-	1,055,026	-	-	1,055,026	832,314	1,887,340
Publishing	-	1,522,741	427	-	-	-	-	251,334	-	1,774,502	-	1,774,502
Supplies	619,999	274,270	35,295	202,301	33,099	3,112	-	14,611	-	1,182,687	262,177	1,444,864
Other	783,958	361,057	485,343	269,174	270,696	(981,931)	461,203	36,043	-	1,685,543	(255,295)	1,430,248
Contributions and sponsorships	85,270	-	-	-	30,773	1,141,977	-	-	-	1,258,020	7,000	1,265,020
Bank fees	-	-	-	-	-	-	-	-	-	-	1,046,988	1,046,988
Repairs and maintenance	-	34,139	-	9,567	-	-	91,582	-	-	135,288	788,803	924,091
Committees and boards	158,335	50	122,266	39,244	233,179	257,504	-	72,121	-	882,699	-	882,699
Officers	-	-	152	-	137	352,003	-	64,000	-	416,292	-	416,292
Postage	53,584	76,174	1,288	15,154	37,996	10,590	-	409	-	195,195	220,403	415,598
Equipment and space rental	38,924	-	2,827	-	-	-	146,641	-	-	188,392	159,937	348,329
Convention	319,887	-	1,791	600	-	-	-	-	-	322,278	-	322,278
Multimedia and other products	34,522	153,236	-	-	-	-	-	-	-	187,758	-	187,758
Advisory council	152,831	-	-	-	-	-	-	-	-	152,831	-	152,831
Telecommunication	6,365	150	21,912	2,498	395	104,782	-	-	-	136,102	10,710	146,812
	\$ 17,228,133	\$ 7,858,996	\$ 7,825,871	\$ 4,903,125	\$ 4,857,763	\$ 2,229,879	\$ 1,786,669	\$ 1,386,605	\$ 70,771	\$ 48,147,812	\$ 15,984,328	\$ 64,132,140

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Cash Flows

Year ended December 31,

2019

Cash flows from operating activities:	
Change in net assets	\$ 12,405,122
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,887,340
In-kind depreciation to ASH Foundation	78,936
Change in allowance for doubtful accounts	15,854
Unrealized gains on investments	(7,335,834)
Realized gains on investments	(1,001,924)
Unrealized loss on interest rate swap	283,064
Gain on postretirement insurance payable	(3,139,750)
Pension related loss other than net periodic benefit cost	1,234,459
(Increase) decrease in assets	
Accounts receivable, net	87,831
Accrued interest receivable	(23,181)
Receivable from affiliates	(2,638)
Prepaid expenses	155,950
Other assets	(176,267)
Increase (decrease) in liabilities	
Accounts payable - trade	184,918
Payable to affiliates	116,105
Accrued salaries and accumulated leave	378,265
Postretirement insurance payable	630,385
Retirement fund payable	(957,598)
Self-insured medical plan obligation	(129,050)
Mortgage interest payable	959
Deferred compensation liability	178,271
Deferred revenue	5,603,021
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Net cash provided by operating activities	10,474,238
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Cash flows from investing activities:	
Purchases of investments	(47,756,385)
Proceeds from sales of investments	46,618,930
Purchase of property and equipment	(1,801,261)
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Net cash used in investing activities	(2,938,716)
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Cash flows from financing activities:	
Principal payments on mortgage payable	(600,000)
Payments on capital lease obligations	(39,279)
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Net cash used in financing activities	(639,279)
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Net increase in cash and cash equivalents	6,896,243
Cash and cash equivalents, beginning of year	48,476,959
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Cash and cash equivalents, end of year	\$ 55,373,202
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Supplemental disclosures of cash flow information:	
Cash paid for interest	\$ 261,646
Cash paid for taxes	\$ 250

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

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.

The National Student Speech Language Hearing Association (NSSLHA) is an affiliated not-for-profit organization of undergraduate students and Master's candidates. NSSLHA 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 (collectively, the Association). 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 by the Association are described below.

Basis of Accounting

The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented in accordance with the accrual basis of accounting, revenue and other support are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

The carrying value of the Association's receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value in the consolidated statement of financial position. 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.

Investments

The Association records investments at fair value, as determined by quoted market prices. Unrealized gains and losses are reflected in the consolidated statement of activities. Realized gains and losses on investments are recorded as of the trade date.

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

Notes to Consolidated Financial Statements

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.

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 loss on interest rate swap is included in the consolidated statement of activities.

Deferred Revenue

Funds received in advance of satisfying contractual obligations are recorded as deferred revenue in the consolidated statement of financial position. 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. As of January 1, 2019, the date of implementation of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, deferred revenue related to member dues of \$2,392,352 was decreased from revenue in the consolidated statement of financial position as of December 31, 2019.

Basis of Presentation

The financial statements are presented in accordance with the FASB Accounting Standards Codification (ASC), *Financial Statements of Not-for-Profit Organizations*, whereby the Association is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2019, and for the year then ended, the Association has recorded activities in the following net assets class:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association.

Revenue Recognition

The Association generates revenue from the sale of both services and products. Revenue is recognized when the Association satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration management expects to receive in exchange for the services or products or for satisfying distinct performance obligations.

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

Notes to Consolidated Financial Statements

Member dues

The Association provides membership services and certifications to members, where members pay a fee to receive membership benefits including access to publications. Revenue is recognized ratably over the membership period as the benefits are provided over the term of the membership period using the output method. The Association has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Association's performance completed to date.

Convention

Convention revenue includes exhibitor revenue, convention registration, sponsorships, and special events related to the Association's convention. Each service is priced separately, and payment terms and conditions vary. Revenue is recognized as performance obligations are satisfied for these revenue streams at the time of the convention, when the services are transferred.

Continuing education

Continuing education includes revenue from continuing education registry fees, provider application fees, provider reaccreditation fee, cooperative offering fees, award for continuing education certificate purchase, transcript fees, provider annual fees, provider five-year review fees, and other continuing education related fees. The performance obligation for continuing education revenue is satisfied at the time of purchase except for annual and provider review fees which are recognized over the length of the 12-month calendar period. All other fees are recognized in the year the service is performed. Customers have full access to the courses at the time of purchase, to be accessed at their discretion.

Educational programs and products

The Association, through the ASHA Professional Development program, offers learning products including courses, online conferences, and interactive webinars. Revenue is recognized at the time of purchase when educational programs and products are issued and sold to the customer.

Special interest group fees

Special interest groups are exclusive professional communities set up within the Association's membership that focus on a specific topic in speech, language, hearing, and related areas. The Association's members, international affiliates, and associates pay a defined fee annually to participate in a specific special interest group and receive a number of exclusive benefits that includes access to discounts on self-study Special Interest Group Perspectives, access to special interest group newsletters, discounts on classes and conferences, and networking community websites. The performance obligation for special interest group fees is satisfied annually over the period of obligation.

Publications

The Association's publications provide members and non-members with the latest and most comprehensive research, articles, and professional information via online and print publications.

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

Notes to Consolidated Financial Statements

The Scholarly Publications program encompasses four scientific journals: *Journal of Speech, Language, and Hearing Research*; *Language, Speech, and Hearing Services in Schools*; *American Journal of Audiology*; and *American Journal of Speech-Language Pathology*. Subscribers to the Association's serial publications include universities, libraries, hospitals, schools, and private practices. Revenue is recognized as performance obligations are satisfied at the time the publications are issued to customers.

Digital advertising and list rental

Digital advertising and list rental revenue includes commercial advertising, classified advertising, and membership list rentals. Revenue is recognized as performance obligations are satisfied and in an amount the Association has the right to invoice when the advertisement is published or when the services are provided.

Council on Academic Accreditation

Council on Academic Accreditation is responsible for oversight of the accreditation of graduate education programs that prepare entry-level professionals in audiology and speech-language pathology. This revenue includes application, site visit, and annual re-accreditation fees. Revenue is recognized as performance obligations are satisfied. Annual re-accreditation fees are recognized as revenue over the 12-month calendar period, whereas application fees and site visit fees are recognized in the year the service is performed.

Non-member certification fees

The Association's certification offers increased opportunities for employment, mobility, career advancement, and professional credibility. Individuals may apply to be certified and receive the Certificate of Clinical Competence in Audiology (CCC-A) and Speech-Language Pathology (CCC-SLP) without membership. These individuals are not eligible to receive the Association's membership benefits. The initial application fee includes the annual certification fee which is required each subsequent year to maintain current certification. Revenue is recognized as performance obligations are satisfied over the period of certification.

Rental revenue

Rental revenue from tenants to lease space at the Association's building includes monthly rental payments in addition to maintenance of the occupied space. Rental revenue is recognized in the period the property is in use.

Recruitment and retention

Recruitment and retention services offer companies opportunities to gain access to speech, language, and hearing professionals, and students in communication science and disorder programs through career fairs and affinity marketing agreements. The career fair features employers from schools, private practice, universities, hospitals, and corporations who are ready to hire. Companies also partner with the Association through an affinity agreement in which their companies will be featured in the Association's publications such as member benefits brochures, catalogs, Audiology publications, and other similar communications.

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

Notes to Consolidated Financial Statements

Revenue from the career fair exhibits are recognized at the completion of the convention. Revenue from affinity agreements is recognized as performance obligations are satisfied based on the terms of the agreement.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Association. Those expenses include personnel costs that are allocated based on percentage of time dedicated to such activities, along with common expenses such as telecommunication, and repairs and maintenance expenses. Allocated costs for telecommunication, and repairs and maintenance are included in other expenses in the consolidated statement of functional expenses.

Measure of Operations

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

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

ASHA is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (IRC), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded from the Code. Additionally, ASHA has been classified as an organization that is not a private foundation. For the year ended December 31, 2019, 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. ASHA has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

NSSLHA is exempt from federal income tax under Section 501(c)(3) of the IRC except for any income that may be a result of unrelated business transactions. Additionally, NSSLHA has been classified as an organization that is not a private foundation. For the year ended December 31, 2019, NSSLHA reported unrelated business income tax, for federal and state purposes, which is immaterial for financial statement purposes. For the year ended December 31, 2019, there were no interest or penalties recorded in the statement of activities.

Under ASC 740-10, *Accounting for Uncertainty in Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely than not that the position will be sustained, the Association does not believe there are any material uncertain tax positions.

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

Notes to Consolidated Financial Statements

Additionally, the Association has filed Internal Revenue Service Form 990 tax returns as required and all applicable returns in those jurisdictions where it is required. The Association believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2016. However, The Association is still open to examinations by tax authorities from fiscal year 2016 forward. For the year ended December 31, 2019, there were no interest or penalties recorded in the consolidated statement of activities.

Accounting Pronouncements Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The update required an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the consolidated financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association adopted this update, along with all subsequent amendments (collectively, “ASC 606”) in 2019 under the modified retrospective method. The ASU has been applied using the modified retrospective approach and the impact on each related financial statement line item is included below. Activity from the year ended December 31, 2019 has been adjusted in accordance with the ASU while activity related to December 31, 2018 has been adjusted in the beginning net asset balance for the current year. The initial application of this ASU has been applied to all contracts at the date of initial application.

Impact on Consolidated Statement of Financial Position as of December 31, 2019:

	Unadjusted 2019	ASC 606	2019 with ASC 606
Total assets	\$ 154,384,724	\$ -	\$ 154,384,724
Deferred revenue	\$ 40,921,929	\$ 2,392,352	\$ 43,314,281
Other liabilities	42,954,912	-	42,954,912
Total liabilities	\$ 83,876,841	\$ 2,392,352	\$ 86,269,193
Net assets without donor restrictions	70,507,883	(2,392,352)	68,115,531
Total liabilities and net assets	\$ 54,384,724	\$ -	\$ 154,384,724

Impact on Consolidated Statement of Activities for the year ended December 31, 2019:

	Unadjusted 2019	ASC 606	2019 with ASC 606
Member dues	\$ 44,812,922	\$ (645,307)	\$ 44,167,615
Other revenue	21,086,399	-	21,086,399
Total revenue	\$ 65,899,321	\$ (645,307)	\$ 65,254,014
Total expenses	\$ 64,132,140	\$ -	\$ 64,132,140
Increase in net assets without donor restrictions from operations	\$ 1,767,181	\$ (645,307)	\$ 1,121,874

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

Notes to Consolidated Financial Statements

Impact on Consolidated Statement of Cash Flows for the year ended December 31, 2019:

	Unadjusted 2019	ASC 606	2019 with ASC 606
Change in net assets without donor restrictions	\$ 10,658,077	\$ 1,747,045	\$ 12,405,122
Deferred revenue	7,350,066	(1,747,045)	5,603,021
Other net cash provided by operating activities	(7,533,905)	-	(7,533,905)
Net cash used in investing activities	(2,938,716)	-	(2,938,716)
Net cash used in financing activities	(639,279)	-	(639,279)
Net increase in cash and cash equivalents	\$ 6,896,243	\$ -	\$ 6,896,243

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The guidance is effective for 2019 and the consolidated financial statements are presented in accordance with the new standard.

The effect of ASC 606 and ASU 2018-08 on the Association's consolidated financial statements were examined in conjunction with one another. The Association reassessed the nature of its revenue producing arrangements to ensure alignment with the definition of a contract under ASC 606 and an exchange transaction under ASU 2018-08. As a result, the Association recognized a downward adjustment of \$2,392,352 and a cumulative adjustment to beginning net assets related to revenue recognition on membership dues of \$1,747,045. The following changes in accounting policies occurred during the year ended December 31, 2019, as a result of the implementation of the ASC 606 and ASU 2018-08:

The Association's member dues payments for new applicants with membership period extending beyond one year were previously recorded as revenue in full in the period received. In addition, member dues payments received for membership period applicable for the following year were recognized as deferred revenue in full in the period received. With the adoption of ASC 606 and ASU 2018-08, revenue from member dues from new applicants are recognized as the Association satisfies the performance obligations related to the promised membership services. The adoption of ASU 2018-08 and ASC 606 did not have a significant impact on revenue recognized for recurring members as membership period corresponds to one year.

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

Notes to Consolidated Financial Statements

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)* which clarifies how certain cash receipts and cash payments are presented and classified in the consolidated statement of cash flows. The amendments are intended to reduce diversity in practice. ASU 2016-15 contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. The Association adopted ASU 2016-15 and did not have a significant impact in the presentation of the consolidated statement of cash flows.

Accounting Pronouncements to be Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. This ASU is effective for the Association's consolidated financial statements beginning after December 15, 2021. Early adoption is permitted. Management is currently evaluating the impact this ASU will have on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The ASU is effective for the Association's consolidated financial statements for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In December 2018, the FASB issued ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*. These amendments address the following issues facing lessors when applying the leases standard: (a) sales taxes and other similar taxes collected from lessees; (2) certain lessor costs paid directly by lessees; and (c) recognition of variable payments for contracts with lease and non-lease components. The ASU is effective for the Association's consolidated financial statements for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

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

Notes to Consolidated Financial Statements

2. Liquidity and Availability of Resources

The following represents the Association's financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, as of December 31, 2019:

Financial assets:	
Cash and cash equivalents	\$ 55,373,202
Investments	58,726,260
Accounts receivable, net	1,015,812
Receivable from affiliates	94,398
Accrued interest receivable	88,751
<hr/>	
Total financial assets available within one year	115,298,423
<hr/>	
Less: board-designated net assets	(92,140,188)
<hr/>	
Financial assets available to meet cash needs for general expenditures within one year	\$ 23,158,235

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. Board-designated net assets, as described in Note 14, are reserved at the discretion of the Association's Board for specific purposes, including maintaining financial viability in the event of an economic disaster.

3. Financial Instruments and 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, 2019, the amount held in excess of the FDIC insurable limit of \$250,000 was approximately \$52,717,000.

4. Accounts Receivable

Accounts receivable consist of the following at December 31, 2019:

Advertising	\$ 231,873
Publications and mailing lists	194,425
Research grants	28,500
Other	627,824
<hr/>	
	1,082,622
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Less: allowance for uncollectible accounts	(66,810)
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	\$ 1,015,812

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

Notes to Consolidated Financial Statements

5. Investments

Investments consist of the following at December 31, 2019:

Investments for designated long-term use:	
Money market funds	\$ 1,597,435
Corporate bonds	8,088,678
US government and agency bonds	9,252,205
Common stock	17,403,780
Mutual funds	22,353,209
Certificates of deposit	30,953
<hr/>	
Total investments	\$ 58,726,260

Investment return, net consists of the following for the year ended December 31, 2019:

Interest and dividends	\$ 1,602,405
Unrealized gains on investments	7,335,834
Realized gains on investments	1,001,924
Investment fees	(275,664)
<hr/>	
Total investment return, net	\$ 9,664,499

6. Fair Value Measurements and Disclosures

The Association follows ASC Topic 820, *Fair Value Measurement*, which establishes a common definition for fair value to be applied under U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. Measurement date is the date of the consolidated financial statements. ASC Topic 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association’s assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three levels of the fair value hierarchy are as follows:

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

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

Notes to Consolidated Financial Statements

Level 2 - Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of the fair value hierarchy. In such cases, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement.

The following table presents the Association's investments that are measured at fair value on a recurring basis as of December 31, 2019:

<i>Description</i>	Fair value measurement at reporting date using			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,597,435	\$ -	\$ -	\$ 1,597,435
Corporate bonds	5,775,468	2,313,210	-	8,088,678
U.S. government and agency bonds	9,252,205	-	-	9,252,205
Common stock	17,403,780	-	-	17,403,780
Mutual funds	22,353,209	-	-	22,353,209
Certificates of deposit	-	30,953	-	30,953
	\$ 56,382,097	\$ 2,344,163	\$ -	\$ 58,726,260

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

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

Corporate, U.S. government and agency 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 National Student Speech Language Hearing Association (Affiliate)

Notes to Consolidated Financial Statements

7. Property and Equipment

Property and equipment consist of the following at December 31, 2019:

Building and building/land improvement	\$ 37,557,655
Computers and software	13,766,839
Land	7,834,685
Furniture and fixtures	2,026,614
Leasehold improvements	1,819,340
Software in progress/development	1,563,330
Equipment	889,295
Art and statues	121,113
	65,578,871
Less: accumulated depreciation	(27,665,908)
	\$ 37,912,963

Depreciation expense for the year ended December 31, 2019 was \$1,887,340. Included in property and equipment is office equipment acquired under capital lease arrangements with a cost of \$547,909, and accumulated amortization of \$226,183 as of December 31, 2019.

8. Retirement Plans

Defined Benefit Retirement Plan

The Association has a noncontributory defined benefit retirement plan (the Plan) covering some ASHA employees and some employees of the American Speech-Language-Hearing Foundation (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 the 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 Plan as a liability in the consolidated statement of financial position and as a reduction of net assets without donor restrictions in the consolidated statement of activities.

The accumulated benefit obligation for the Plan was \$99,509,785 as of December 31, 2019. The Plan's funded status recognized in the consolidated statement of financial position as of December 31, 2019 was as follows:

Plan assets at fair value	\$ 85,795,202
Projected benefit obligation	(103,893,424)
	\$ (18,098,222)

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

Notes to Consolidated Financial Statements

The components of net periodic benefit cost for the year ended December 31, 2019 are as follows:

Service cost	\$	2,468,149
Interest cost		3,845,274
Expected return on Plan assets		(4,990,758)
Amortization of net loss		1,119,737
		2,442,402
Less: allocation to Foundation		(21,541)
Net Association periodic benefit cost	\$	2,420,861

For the year ended December 31, 2019, employer contributions and benefits paid were as follows:

Employer contributions	\$	3,400,000
Benefits paid	\$	(4,263,608)

Amounts not recognized in 2019 net periodic benefit cost reported as a decrease to net assets without donor restrictions in the accompanying consolidated statement of activities are as follows:

Net loss	\$	2,354,196
Amortization of net loss		(1,119,737)
Amortization of prior service cost		-
		\$ 1,234,459

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	\$	26,772,349
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Estimated amortization to be included in net periodic benefit cost for the year ended December 31, 2020 is as follows:

Net loss	\$	1,129,084
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The following key assumptions were used by the actuary to compute net periodic benefit cost as of December 31, 2019:

Weighted-average discount rate		4.30%
Weighted-average compensation increase		3.50%
Weighted-average expected long-term rate of return on Plan assets		6.75%

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

Notes to Consolidated Financial Statements

The following key assumptions were used by the actuary to determine the benefit obligations as of December 31, 2019:

Weighted-average discount rate	3.40%
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 the Plan. This included considering the asset allocation and the expected returns likely to be earned over the life of the Plan.

The fair values of the Association's defined benefit retirement Plan assets at December 31, 2019 by asset category are as follows:

<i>Description</i>	Level 1	Level 2	Level 3	Reported at NAV	Total
Pooled separate accounts	\$ -	\$ -	-	\$ 68,943,411	\$ 68,943,411
Collective trust fund	-	-	-	4,238,607	4,238,607
Guaranteed deposits	-	-	10,865,424	-	10,865,424
Common stock	1,747,760	-	-	-	1,747,760
	\$ 1,747,760	\$ -	\$ 10,865,424	\$ 73,182,018	\$ 85,795,202

The table below presents additional information for the Association's investments, as of December 31, 2019, 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.

	Fair Value as of December 31, 2019	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 68,943,411	None	Daily	Daily
Collective trust fund	4,238,607	None	Quarterly	45 days
	\$ 73,182,018			

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

Notes to Consolidated Financial Statements

A roll forward of the Level 3 assets to December 31, 2019 is as follows:

Beginning balance as of December 31, 2018	\$ 11,166,021
Interest credited during the year	313,600
Transfers in	3,105,000
Disbursements from fund to pay benefits	(4,214,760)
Other increases, net	92,127
Unrealized gains	403,436

\$ 10,865,424

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.

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.

Common stock: The fair value is based on the closing price from the applicable exchange and are classified within Level 1 of the fair value hierarchy.

Additional Information

The measurement date in 2019 for purposes of determining the fair value of Plan assets and the measured pension benefit cost for balance sheet and disclosure was December 31, 2019. The weighted average asset allocations for the investments are as follows for December 31, 2019:

Asset category	
Pooled separate accounts	80%
Collective trust	5%
Guaranteed deposits	13%
Common stock	2%

100%

Target allocation percentages are 78 percent pooled separate accounts including common stock, five percent collective trust, and 17 percent guaranteed deposits.

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

Notes to Consolidated Financial Statements

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:

Years ending December 31,

2020	\$ 4,289,460
2021	4,551,308
2022	4,877,961
2023	5,282,355
2024	5,520,244
2025-2029	30,692,411

The Association expects to contribute approximately \$2,300,000 to the Plan in 2020.

401(k) Plan

The Association has a defined contribution plan which qualifies under Section 401(k) of the IRC. The 401(k) 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 401(k) 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) accounts.

In January 2017, the Association revised its 401(k) 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 401(k) plan for the year ended December 31, 2019 were \$1,127,499.

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 (PMLI Plan) are as follows:

Benefit obligation at beginning of year	\$ 11,894,136
Service cost	669,432
Interest cost	509,922
Actuarial gain	(3,403,850)
Plan participant contributions	154,656
Benefits paid	(439,525)
Benefit obligation at end of year	\$ 9,384,771

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

Notes to Consolidated Financial Statements

Fair value of the PMLI Plan assets at beginning of year	
Employer contributions	\$ 284,869
PMLI Plan participant contributions	154,656
Benefits paid	(439,525)

Fair value of Plan assets at end of year	\$ -
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Funded status liability at end of year	\$ 9,384,771
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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	\$ 289,603
Actuarial plan benefit obligation as of December 31, 2019	\$ 1,714,985

Decrease of 1% change in trend:	
Service and interest cost	\$ (211,546)
Actuarial plan benefit obligation as of December 31, 2019	\$ (1,290,665)

The following key assumptions were used by the actuary to determine the benefit obligation as of December 31, 2019:

Discount rate	3.65%
Initial medical trend rate	6.50%

The following key assumptions were used by the actuary to determine the periodic postretirement benefit cost for the year ending December 31, 2019:

Discount rate	4.45%
Initial medical trend rate	6.75%

The Association expects to contribute approximately \$220,851 to the PMLI Plan in 2020.

Benefit payments are expected to be paid as follows, related to the PMLI Plan:

Years ending December 31,

2020	\$ 220,851
2021	219,004
2022	222,338
2023	243,841
2024	260,786
2025-2029	1,664,303

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

Notes to Consolidated Financial Statements

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, 2019, expenses for the Association’s health benefits totaled \$3,787,873. As of December 31, 2019, the Association’s liability related to these benefits totaled approximately \$440,100, which is included in the self-insured medical plan obligation in the accompanying consolidated statement of financial position.

Deferred Compensation Plan

The Association has two 457(b) deferred compensation plans (457 Plans). The 457 Plans are nonqualified deferred compensation plans subject to the provisions of IRC 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) plan limits plan participation to one of the Association’s executives. The Association’s Plan assets are \$399,041 for the year ended December 31, 2019.

The second 457(b) 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 \$127,618 for the year ended December 31, 2019.

The Association’s Plan assets for the 457(b) Plans are included in other assets in the accompanying consolidated statement of financial position.

9. Commitments and Contingencies

Operating Leases

In 2017, the Association extended its building lease at the Washington D.C. location until 2026. Monthly rent payment is \$9,456, 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 2023. The minimum rental for these commitments is as follows:

Years ending December 31,

2020	\$	204,447
2021		197,481
2022		170,823
2023		125,723
2024		126,832
Thereafter		262,289
		<hr/>
	\$	1,087,595

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

Notes to Consolidated Financial Statements

Rental expense for all operating leases was \$201,894 for the year ended December 31, 2019.

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.

10. Lease Agreements

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:

Years ending December 31,

2020	\$ 623,325
2021	509,265
2022	417,928
2023	413,804
2024	394,726
Thereafter	1,569,129
	<hr/>
	\$ 3,928,177

Total income from rental operations for the year ended December 31, 2019 was \$657,978.

11. Debt

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 London Interbank Offered Rate (LIBOR) plus 55 basis points. The mortgage payable outstanding as of December 31, 2019 was \$946,210. 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.

The remaining original mortgage balance on Tranche B is payable over thirty years beginning in February 2008 in equal monthly installments of \$50,000. Tranche B was converted to a term loan in 2009. The term loan monthly payment is \$50,000. As of December 31, 2019, the interest rate on the term loan was 2.6%. Total interest expense related to the mortgage was \$258,415 for the year ended December 31, 2019 and is recognized as part of Building in the consolidated statement of functional expenses. The unpaid principal portion of the mortgage loan is payable in full on January 31, 2021.

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

Notes to Consolidated Financial Statements

Principal payments of debt obligations are payable as follows:

Years ending December 31,

2020	\$	600,000
2021		346,210
		\$ 946,210

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 2.26% as of December 31, 2019. 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 \$1,607,018 as of December 31, 2019. A corresponding unrealized loss on the interest-rate swap of \$283,064 has been recorded in the consolidated statement of activities. 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.

12. 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 follows:

Years ending December 31,

2020	\$	99,163
2021		99,163
2022		99,163
2023		59,168
2024		51,169
Thereafter		46,905
Total future minimum lease payments		454,731
Less: amount representing interest		(24,363)
Present value of minimum lease payments		\$ 430,368

Interest expense related to the capital leases was \$6,477 for the year ended December 31, 2019.

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

Notes to Consolidated Financial Statements

13. 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, 2019:

	Accounts Receivable	Accounts Payable
American Speech-Language-Hearing Association Political Action Committee	\$ -	\$ 82,848
American Speech-Language-Hearing Foundation	94,398	3,424,110
National Association for Hearing and Speech Action	-	189,652
	\$ 94,398	\$ 3,696,610

Contribution to the American Speech-Language-Hearing Foundation

The Board of Directors of the Association approved contribution commitments to the Foundation through fiscal year 2022. The Association has recorded a liability of \$3,324,490 as of December 31, 2019 for contributions due in future years. In addition, the Association has made in-kind contributions for indirect and administrative services of \$285,804 to the Foundation during the year ended December 31, 2019. The Association's commitments are expected to be paid as follows:

Less than one year	\$ 843,400
One to five years	2,639,669
Less: discounts (1.5% - 2.5%)	(158,579)
	\$ 3,324,490

Contribution to the National Association for Hearing and Speech Action

The Association has made in-kind contributions for administrative services of \$59,777 to the National Association for Hearing and Speech Action (NAHSA) during the year ended December 31, 2019.

14. 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, 2019 is \$295,448.

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

Notes to Consolidated Financial Statements

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, 2019 is \$33,794,958.

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, 2019 is \$58,049,782.

15. Subsequent Events

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) originating in Wuhan, China, and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified COVID-19 as a pandemic, based on the rapid increase in exposure globally.

The Association's operations are dependent on member dues and the sale of other goods and services. As of the date of this report, the public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The COVID-19 pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19. Nevertheless, the COVID-19 presents material uncertainty and risk with respect to the Association, its performance, and its financial results.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer's portion of social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. There is no assurance that the Association is eligible for these funds or will be able to obtain them. Accordingly, the Association did not apply for these loans.

The Association evaluated its December 31, 2019 consolidated financial statements for subsequent events through June 3, 2020, the date the consolidated financial statements were available to be issued. There were no other events noted that required adjustments to, or disclosure in, these consolidated financial statements, except as noted above.

Supplementary Information

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

Schedule of Consolidating Financial Position

<i>December 31, 2019</i>	ASHA	NSSLHA	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 54,909,361	\$ 463,841	\$ -	\$ 55,373,202
Accounts receivable, net	1,015,752	60	-	1,015,812
Accrued interest receivable	88,751	-	-	88,751
Receivable from affiliates	94,398	137,188	(137,188)	94,398
Prepaid expenses	627,832	172,961	(167,976)	632,817
Investments	58,049,782	676,478	-	58,726,260
Other assets	540,521	-	-	540,521
Property and equipment, net	37,912,963	-	-	37,912,963
Total assets	\$ 153,239,360	\$ 1,450,528	\$ (305,164)	\$ 154,384,724
Liabilities and net assets				
Liabilities				
Accounts payable - trade	\$ 2,872,280	\$ 14,107	\$ -	\$ 2,886,387
Payable to affiliates	3,828,798	5,000	(137,188)	3,696,610
Accrued salaries and accumulated leave	4,914,610	-	-	4,914,610
Postretirement insurance payable	9,384,771	-	-	9,384,771
Retirement fund payable	18,098,222	-	-	18,098,222
Self-insured medical plan obligation	440,100	-	-	440,100
Mortgage interest payable	23,957	-	-	23,957
Mortgage payable	946,210	-	-	946,210
Capital lease obligation	430,368	-	-	430,368
Interest rate swap	1,607,018	-	-	1,607,018
Deferred compensation liability	526,659	-	-	526,659
Deferred revenue	43,137,003	345,254	(167,976)	43,314,281
Total liabilities	86,209,996	364,361	(305,164)	86,269,193
Commitments and contingencies				
Net assets without donor restrictions	67,029,364	1,086,167	-	68,115,531
Total liabilities and net assets	\$ 153,239,360	\$ 1,450,528	\$ (305,164)	\$ 154,384,724

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

Schedule of Consolidating Revenues and Expenses by Natural Classification

<i>Year ended December 31, 2019</i>	ASHA				NSSLHA			Total All Funds
	Operating Funds	Grant and Contract Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	
Revenue and support								
Member dues	\$ 41,315,569	\$ -	\$ 1,619,149	\$ -	\$ 42,934,718	\$ 753,624	\$ -	\$ 43,688,342
Convention	5,018,050	-	-	-	5,018,050	6,508	-	5,024,558
Continuing education	4,473,971	-	-	-	4,473,971	-	-	4,473,971
Learning products	3,320,159	-	-	-	3,320,159	-	-	3,320,159
Special interest group fees	1,630,182	-	-	-	1,630,182	-	-	1,630,182
Other	1,726,838	70,771	-	-	1,797,609	86,744	(339,131)	1,545,222
Commercial advertising	852,315	-	-	-	852,315	31,350	-	883,665
Classified advertising	752,247	-	-	-	752,247	-	-	752,247
Council on Academic Accreditation	793,700	-	-	-	793,700	-	-	793,700
Non-member certification fees	665,187	-	19,171	-	684,358	-	-	684,358
Rental revenue	-	-	1,503,638	(845,660)	657,978	-	-	657,978
Contributions/sponsorships	476,018	-	-	-	476,018	41,505	-	517,523
Other membership fees	479,273	-	-	-	479,273	-	-	479,273
Subscriptions	446,082	-	-	-	446,082	-	-	446,082
Other publications	355,038	-	-	(58,000)	297,038	112	-	297,150
Affiliates	59,604	-	-	-	59,604	-	-	59,604
Self-insurance	-	-	4,203,252	(4,203,252)	-	-	-	-
Interest on Housing Fund advance	151,857	-	(151,857)	-	-	-	-	-
Total revenue and support	62,516,090	70,771	7,193,353	(5,106,912)	64,673,302	919,843	(339,131)	65,254,014
Expenses								
Salaries staff	29,317,884	-	80,395	-	29,398,279	331,325	-	29,729,604
Other personnel costs	10,809,031	-	3,816,385	(4,203,252)	10,422,164	3,180	-	10,425,344
Professional services	6,552,529	-	1,590,085	-	8,142,614	359,685	(339,131)	8,163,168
Meetings, projects, food and beverage	3,093,028	70,771	32,312	(58,000)	3,138,111	30,263	-	3,168,374
Depreciation	832,314	-	1,055,026	-	1,887,340	-	-	1,887,340
Publishing	1,774,502	-	-	-	1,774,502	-	-	1,774,502
Supplies	1,439,776	-	3,029	-	1,442,805	2,059	-	1,444,864
Other	942,885	-	470,252	-	1,413,137	17,111	-	1,430,248
Contributions and sponsorships	1,234,247	-	30,773	-	1,265,020	-	-	1,265,020

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

Schedule of Consolidating Revenues and Expenses by Natural Classification

<i>Year ended December 31, 2019</i>	ASHA				NSSLHA			
	Operating Funds	Grant and Contract Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	Total All Funds
Bank fees	1,044,424	-	-	-	1,044,424	2,564	-	1,046,988
Repairs and maintenance	832,509	-	91,582	-	924,091	-	-	924,091
Committees and boards	850,117	-	-	-	850,117	32,582	-	882,699
Officers	416,292	-	-	-	416,292	-	-	416,292
Postage	414,988	-	252	-	415,240	358	-	415,598
Equipment and space rental	1,041,968	-	146,641	(845,660)	342,949	5,380	-	348,329
Convention	322,278	-	-	-	322,278	-	-	322,278
Multimedia and other products	182,114	-	-	-	182,114	5,644	-	187,758
Advisory council	152,831	-	-	-	152,831	-	-	152,831
Telecommunication	146,812	-	-	-	146,812	-	-	146,812
Total expenses	61,400,529	70,771	7,316,732	(5,106,912)	63,681,120	790,151	(339,131)	64,132,140
Change in net assets without donor restrictions from operations	1,115,561	-	(123,379)	-	992,182	129,692	-	1,121,874
Nonoperating activities								
Pension related loss other than net periodic benefit cost	(1,234,459)	-	-	-	(1,234,459)	-	-	(1,234,459)
Investment return, net	1,309,456	-	8,259,898	-	9,569,354	95,145	-	9,664,499
Loss on interest rate swap	-	-	(283,064)	-	(283,064)	-	-	(283,064)
Gain on postretirement insurance payable	3,139,750	-	-	-	3,139,750	-	-	3,139,750
Other	11,100	-	-	-	11,100	(14,578)	-	(3,478)
Total nonoperating activities	3,225,847	-	7,976,834	-	11,202,681	80,567	-	11,283,248
Change in net assets without donor restrictions	\$ 4,341,408	\$ -	\$ 7,853,455	\$ -	\$ 12,194,863	\$ 210,259	\$ -	\$ 12,405,122

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

Schedule of Consolidating Revenues and Expenses by Fund

<i>Year ended December 31, 2019</i>	ASHA			NSSLHA			Total All Funds
	Operating Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	
Revenue and support							
Member dues	\$ 41,794,842	\$ 1,619,149	\$ -	\$ 43,413,991	\$ 753,624	\$ -	\$ 44,167,615
Convention	5,451,712	-	-	5,451,712	41,500	-	5,493,212
Continuing education	4,473,971	-	-	4,473,971	-	-	4,473,971
Educational programs and products	3,497,648	-	-	3,497,648	-	-	3,497,648
Special interest group fees	1,709,263	-	-	1,709,263	-	-	1,709,263
Publications:							
The ASHA Leader	760,363	-	-	760,363	-	-	760,363
Journal of Speech, Language and Hearing Research	396,186	-	(32,000)	364,186	-	-	364,186
Language, Speech and Hearing Services in Schools	99,682	-	(4,000)	95,682	-	-	95,682
American Journal of Audiology	65,513	-	(12,000)	53,513	-	-	53,513
American Journal of Speech-Language Pathology	88,576	-	(10,000)	78,576	-	-	78,576
Council on Academic Accreditation	793,700	-	-	793,700	-	-	793,700
Non-member certification fees	665,187	19,171	-	684,358	-	-	684,358
Digital advertising	678,561	-	-	678,561	-	-	678,561
Rental revenue	-	1,503,638	(845,660)	657,978	-	-	657,978
Membership list rentals	426,500	-	-	426,500	77,706	-	504,206
Recruitment and retention	419,241	-	-	419,241	6,508	-	425,749
Other revenue	637,059	-	-	637,059	9,043	(339,131)	306,971
Special reports and brochures	268,602	-	-	268,602	31,462	-	300,064
Professional practices	95,067	-	-	95,067	-	-	95,067
Grants and contracts	-	70,771	-	70,771	-	-	70,771
Public information	15,560	-	-	15,560	-	-	15,560
Clinical certification	7,769	-	-	7,769	-	-	7,769
Academic affairs	6,508	-	-	6,508	-	-	6,508
Research	4,662	-	-	4,662	-	-	4,662
Multicultural affairs	4,394	-	-	4,394	-	-	4,394
Governmental affairs	3,667	-	-	3,667	-	-	3,667
Interest on Housing Fund advance	151,857	(151,857)	-	-	-	-	-
Self-insurance	-	4,203,252	(4,203,252)	-	-	-	-
Total revenue and support	62,516,090	7,264,124	(5,106,912)	64,673,302	919,843	(339,131)	65,254,014

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

Schedule of Consolidating Revenues and Expenses by Fund

<i>Year ended December 31, 2019</i>	ASHA			NSSLHA			Total All Funds
	Operating Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	
Expenses							
Program services:							
Convention	5,091,287	11,833	(13,727)	5,089,393	70,549	-	5,159,942
Continuing education	2,582,162	-	(22,491)	2,559,671	-	-	2,559,671
Educational programs and products	2,669,781	17,751	(15,829)	2,671,703	-	-	2,671,703
Special interest groups	1,824,828	4,499	(13,072)	1,816,255	-	-	1,816,255
Publications:							
The ASHA Leader	2,910,906	-	(11,201)	2,899,705	-	-	2,899,705
Journal of Speech, Language and Hearing Research	492,611	-	(1,714)	490,897	-	-	490,897
Language, Speech and Hearing Services in Schools	269,650	-	(1,160)	268,490	-	-	268,490
American Journal of Audiology	278,175	-	(1,140)	277,035	-	-	277,035
American Journal of Speech-Language Pathology	351,356	-	(1,173)	350,183	-	-	350,183
Digital advertising	3,238,470	-	(26,108)	3,212,362	-	-	3,212,362
Council on Academic Accreditation	1,440,970	-	(9,848)	1,431,122	-	-	1,431,122
Recruitment and retention	1,147,679	-	(9,749)	1,137,930	61,589	-	1,199,519
Special reports and brochures	406,076	-	(2,418)	403,658	405,272	(339,131)	469,799
Grants and contracts	-	70,771	-	70,771	-	-	70,771
Professional practices	3,773,014	(1,725)	(30,285)	3,741,004	-	-	3,741,004
Governmental affairs	4,461,846	134,601	(35,308)	4,561,139	-	-	4,561,139
Public information	2,171,197	1,109,019	(15,485)	3,264,731	-	-	3,264,731
Multicultural affairs	1,230,061	37,101	(10,151)	1,257,011	-	-	1,257,011
Academic affairs	1,316,371	125,000	(10,533)	1,430,838	-	-	1,430,838
Research	3,319,441	-	(84,107)	3,235,334	-	-	3,235,334
Clinical certification	2,607,217	129,144	(22,084)	2,714,277	-	-	2,714,277
Specialty recognition	61,866	-	(594)	61,272	-	-	61,272
Ethics	718,271	-	(5,908)	712,363	-	-	712,363
International	199,318	-	(1,250)	198,068	-	-	198,068
Governance	1,781,535	-	(11,014)	1,770,521	88,452	-	1,858,973
Contingency	81,593	-	-	81,593	-	-	81,593
Contribution to ASHA Foundation	1,134,977	-	-	1,134,977	-	-	1,134,977
Awards	-	-	-	-	55,281	-	55,281
Chapters and chapters administration	-	-	-	-	22,489	-	22,489
Self-insurance	-	3,787,873	(3,787,873)	-	-	-	-
Housing Fund	-	1,786,668	(845,660)	941,008	-	-	941,008
Total program services	45,560,658	7,212,535	(4,989,882)	47,783,311	703,632	(339,131)	48,147,812

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

Schedule of Consolidating Revenues and Expenses by Fund

<i>Year ended December 31, 2019</i>	ASHA			NSSLHA			Total All Funds
	Operating Funds	Other Funds	Eliminations	Total ASHA Funds	Operating Funds	Eliminations	
Supporting services:							
General and administrative	15,839,871	174,968	(117,030)	15,897,809	86,519	-	15,984,328
Total expenses	61,400,529	7,387,503	(5,106,912)	63,681,120	790,151	(339,131)	64,132,140
Change in net assets without donor restrictions from operations	1,115,561	(123,379)	-	992,182	129,692	-	1,121,874
Nonoperating activities							
Pension related loss other than net periodic benefit cost	(1,234,459)	-	-	(1,234,459)	-	-	(1,234,459)
Investment return, net	1,309,456	8,259,898	-	9,569,354	95,145	-	9,664,499
Loss on interest rate swap	-	(283,064)	-	(283,064)	-	-	(283,064)
Gain on postretirement insurance payable	3,139,750	-	-	3,139,750	-	-	3,139,750
Other	11,100	-	-	11,100	(14,578)	-	(3,478)
Total nonoperating activities	3,225,847	7,976,834	-	11,202,681	80,567	-	11,283,248
Change in net assets without donor restrictions	\$ 4,341,408	\$ 7,853,455	\$ -	\$ 12,194,863	\$ 210,259	\$ -	\$ 12,405,122