

2022 ANNUAL REPORT



American
SCHOOL
HEALTH
Association

Connecting Health & Learning

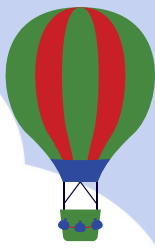


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2022 National Board of Directors



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Sarah Helton

Headquarters Information

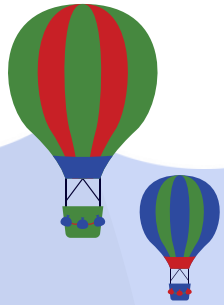
Jeanie Alter, PhD, MA, MCHES, FASHA, Executive Director

Kaitlyn Celis, BS, Membership Services Manager

Phone: 202-854-1721

Email: info@ashaweb.org





Mission, Purpose and History

The mission of the American School Health Association (ASHA) is to transform all schools into places where every student learns and thrives. ASHA envisions healthy students who learn and achieve in safe and healthy environments nurtured by caring adults functioning within coordinated school and community support systems. The Association is a multidisciplinary organization of administrators, counselors, dietitians, nutritionists, health educators, physical educators, psychologist, school health coordinators, school nurses, school physicians, and social workers.

For nearly 100 years, ASHA has advocated for quality school health programs for every child. ASHA proudly serves as the only multidisciplinary national membership organization supporting a coordinated and collaborative approach to school health. ASHA was founded at the annual meeting of the American Public Health Association (APHA) on October 27, 1927. Known then as the American Association of School Physicians, the new organization's first president was William A. Howe, MD. Interest in the association grew so rapidly that in 1936, it opened its membership to all professionals interested in promoting school health, and the organization officially became the American School Health Association.

President's Message



It's so hard to say goodbye...so, I won't! I will say that it has been an honor, a privilege, an adventure, and a pleasure serving as your president for the past three years. We have overcome many obstacles and accomplished some commendable goals. From social unrest exacerbated by a global pandemic to school closures resulting in learning loss and poorer health outcomes, we have all faced our share of challenges. Through it all, we looked for the lessons to be learned and embraced the opportunity to be and do better.



We continue to activate our network of professionals and organizational partners to provide scientifically sound, practical, honest and transparent information to anyone wanting to hear and learn from experts in the field. We have strengthened collaborations and joined forces with new partners taking a solid stance against discrimination and injustices towards people just because they have a certain ethnic background, choose to live their lives as their authentic selves rather than conform to historical expectations, and more. We are just getting started and I am excited to see what else is on the horizon. We are championing research agendas and topics that are inclusive and diverse.

We have a national advocacy presence that we hope to expand at state levels. We are excited to recognize leaders in the field and continue to facilitate the training and development of future school health leaders. Finally, we will continue to provide a wide range of professional development opportunities throughout the year, particularly during our annual conference.

I am grateful to have worked alongside a dedicated team of board members who answered the call to serve during times such as these. I thank each of them for their time, ideas, and commitment. You all have done some commendable work individually and our collective efforts have helped make ASHA stronger. Thank you.

I cannot say enough about our amazing executive staff and support team. You all know the dynamic duo, Jeanie and Kaitlyn, and all of the ways they make us shine! We are in such wonderful care with the two of them. Thank you are the words I share even though they do not begin to describe my gratitude for both of them. You all may not know all of the support team members that Jeanie & Kaitlyn work with on a day-to-day basis (e.g., student staff; interns; event planning staff), but Jeanie leads a great team of folks. Many thanks to all of them.

To you, the members – You are the changemakers, the motivators, the connectors, and sometimes the necessary agitators that will help make ASHA's mission a reality. Keep doing what you are doing! Stay engaged and encourage others to do the same. Thank you for your commitment and service to ASHA and especially to school health.

I am forever grateful and I'll see you around!



Executive Director's Message

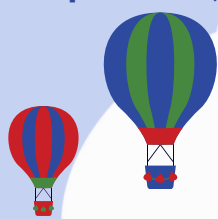


Fundraising: An important part of my work is raising funds for ASHA. This allows us to continue offering high-quality professional development, cutting-edge research, and networking opportunities while keeping membership dues low. One way that I do this is by writing grants. During my tenure, ASHA has submitted two or more grants per year and we've been able to secure funding from the Robert Wood Johnson Foundation, CDC, and Anthem, Inc. Another way to support ASHA is through conference sponsorships.

Advocacy: ASHA has been conducting virtual Hill visits with our leaders in Washington DC. They wanted to know more about how schools are utilizing federal funding for COVID-19 mitigation and testing. ASHA engaged its network and conducted a survey to learn about school-based COVID-19 testing. The survey revealed:

- Over 89% of schools are testing staff and/or students for COVID-19.
- Over 85% of schools are hosting clinics to vaccinate students or staff against COVID-19.
- Over 67% of schools have received federal funding for COVID-19 contact tracing.
- 61% of schools have received CDC funding and 30% have received DOE funding.
- The top 4 activities that federal funding is supporting in schools are contact tracing, support for school-based health centers, PPE, and COVID-19 testing.
- There is resistance to mitigation/testing in some areas while others are engaged in testing and vaccination.
- While some are using federal funds to hire staff and purchase supplies/equipment, there is burnout and a need for more funding and mandates.

Professional Development: ASHA held a successful 96th annual School Health Conference in July! As you may know, we changed our model a bit by moving our conference to the summer, offering in-person and virtual components, and partnered with a university to hold the event on campus. We are pleased to report that the feedback was positive with an average rating of 4.24 out of 5 stars. In-person attendees liked the quality of the sessions and keynote speakers, ASHA Gives Back and fitness events, and the skill-building and value provided. With an average rating of 4.35 out of 5 stars, virtual attendees liked the quality of the session presenters, the virtual platform, and skill-building, value, and return on investment.



Donors, Corporate Members, Sponsors & Funded Projects



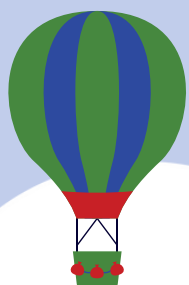
I want to take a moment to acknowledge our sponsors for their generous support, which has allowed us to keep costs low and our conference accessible.



SCHOOL OF
MEDICINE
DEPARTMENT OF PEDIATRICS



aztute.



ASHA Award Winners



Congratulations to our 2022 award winners! We are so proud of the work you have done for ASHA and our students. Please join me in recognizing these outstanding school health professionals.

ASHA AWARD WINNERS



Dr. Steve Sroka
The William A. Howe Award



Dr. Mike Mann
The Distinguished Service Award



Rachel Sadlon
The Dr. Robert Synovitz
Emerging Professional Award



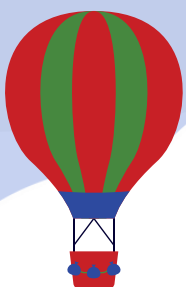
Lauren Pett
Whole School, Whole
Community, Whole
Child Award (WSCC
Award)

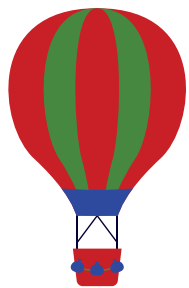


Dr. Kayce Solari Williams
ASHA Fellow



Bridget Borgogna
ASHA Fellow





ASHA Award Winners

ASHA School Health Heroes is a new award that recognizes individuals and teams that go above and beyond for students. These individuals may not necessarily be school health professionals as we typically define them, but they ARE heroes in the things they do for students.

ASHA SCHOOL HEALTH HEROES

Carolyn Evans

**School Health Hero/Life Changer
of the Year**

Mathematics Teacher
Ypsilanti Community Schools



Nationwide Children's Hospital
**School Health Hero/Life
Changer of the Year**



Committees



Advocacy & Coalitions

Sarah Helton
Melissa Bogulawski
Elisa McNeill
Alexander Fraser
Caitlin Holden
Rahul Mehra

Professional Development

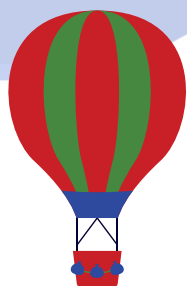
Ashley McIvor
Beth Williams-Breault
Cathy Ramstetter
Deitra Wenget
Gretchen Carlton
Kaitlyn Celis
Kari Tyler
Larry Olson
Mary Beth Szydlowski
Shauvon Simmons-
Wright
Wendy Sellers

Research & Publications

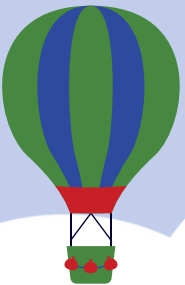
Christine Fisher
Hannah Catalano
Nora Howley
Shahwar Ali
Mary Martinasek
Alicia Hoke
Leigh Szucs
Bonni Hodges
Mary Martinasek
Matt Hutchins
Jennifer Banas
Larry Olsen
Kimberly Foster

Leadership & Recognition

Ashley McIvor
David Kobel
Emily Forsyth
Kaitlyn Celis
Kathy Finley
Keith Zullig
Lisa Meadows



Financials





Join Us On Social Media!



@ashanews



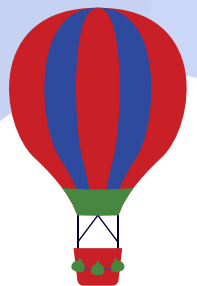
@AmericanSchoolHealthAssociation



@americanschoolhealthassoc



www.linkedin.com/company/american-school-health-association/



AMERICAN SCHOOL HEALTH ASSOCIATION

Financial Statements

For the Years Ended December 31, 2022 and 2021

AMERICAN HEALTH SCHOOL ASSOCIATION

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WASSERMAN, SHUFF & CO. EST 1995

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
American School Health Association.
Bloomington, IN

We have audited the accompanying financial statements of American School Health Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American School Health Association as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American School Health Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about

American School Health Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American School Health Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American School Health Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wasserman Shuff & Co.

Wasserman, Shuff & Co., LLC
8/29/23

8375 S. Howell Ave. Suite 202 Oak Creek, WI 53154-8344
Phone: (414) 764-7020 ♦ Fax: (414) 764-8780 ♦ www.wassermancpa.net

**American School Health Association
Statements of Financial Position
As of December 31, 2022 and 2021**

| | <u>2022</u> | <u>2021</u> |
|--|------------------------------|------------------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 208,578 | \$ 229,598 |
| Restricted cash | 9,651 | 9,644 |
| Accounts receivable | 218,474 | 55,051 |
| Prepaid expenses | 41,595 | 31,699 |
| Total Current Assets | <u>478,298</u> | <u>325,992</u> |
| Other Assets: | | |
| Restricted investments | 246,506 | 285,071 |
| Operating lease right of use asset | 6,281 | - |
| Total Other Assets | <u>252,787</u> | <u>285,071</u> |
| Total Assets | <u><u>\$ 731,085</u></u> | <u><u>\$ 611,063</u></u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Current portion of operating lease liabilities | \$ 5,018 | \$ - |
| Deferred memberships | 25,440 | 19,978 |
| Total Current Liabilities | <u>30,458</u> | <u>19,978</u> |
| Long-Term Liabilities: | | |
| Operating lease liabilities | <u>1,264</u> | <u>-</u> |
| Total Long-Term Liabilities | 1,264 | - |
| Net Assets: | | |
| Without donor restrictions | 453,685 | 307,966 |
| With donor restrictions | 245,678 | 283,119 |
| Total Net Assets | <u>699,363</u> | <u>591,085</u> |
| Total Liabilities and Net Assets | <u><u>\$ 731,085</u></u> | <u><u>\$ 611,063</u></u> |

See Independent Auditors' Report and Accompanying Notes.

American School Health Association
Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|--|---------------------------------------|------------------------------------|-------------------|
| Revenue and Support: | | | |
| Contributions | \$ 135 | \$ - | \$ 135 |
| Conference sponsorships | 11,250 | - | 11,250 |
| Corporate partnerships | 7,100 | - | 7,100 |
| Memberships | 73,177 | - | 73,177 |
| Conference registration fees | 53,515 | - | 53,515 |
| Education | 890 | - | 890 |
| Publications | 264,915 | - | 264,915 |
| Other income | 9,643 | - | 9,643 |
| Investment income | 12,736 | (37,441) | (24,705) |
| Total Revenue and Support | <u>433,361</u> | <u>(37,441)</u> | <u>395,920</u> |
| Net Assets Released from Restriction | - | - | - |
| Expenses: | | | |
| Conference | \$ 51,601 | \$ - | \$ 51,601 |
| Memberships | 92,223 | - | 92,223 |
| Education and publications | 53,271 | - | 53,271 |
| Management and general | 90,547 | - | 90,547 |
| Total Expenses | <u>287,642</u> | <u>-</u> | <u>287,642</u> |
| Excess of Revenues Over (Under) Expenses and Losses | 145,719 | (37,441) | 108,278 |
| Net Assets, Beginning of Year | | | |
| Without donor restrictions | 307,966 | - | 307,966 |
| With donor restrictions | - | 170,119 | 170,119 |
| Donor-restricted endowment funds | <u>-</u> | <u>113,000</u> | <u>113,000</u> |
| Net Assets, End of Year | <u>\$ 453,685</u> | <u>\$ 245,678</u> | <u>\$ 699,363</u> |

See Independent Auditors' Report and Accompanying Notes.

American School Health Association
Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|--|---------------------------------------|------------------------------------|--------------------------|
| Revenue and Support: | | | |
| Contributions | \$ 1,844 | \$ - | \$ 1,844 |
| Conference sponsorships | 9,250 | - | 9,250 |
| Corporate partnerships | 4,900 | - | 4,900 |
| Memberships | 66,258 | - | 66,258 |
| Conference registration fees | 24,645 | - | 24,645 |
| Education | 48,941 | - | 48,941 |
| Publications | 143,790 | - | 143,790 |
| Other income | 45,201 | - | 45,201 |
| Investment income | 13,957 | 32,439 | 46,396 |
| Total Revenue and Support | <u>358,786</u> | <u>32,439</u> | <u>391,225</u> |
| Net Assets Released from Restriction | - | - | - |
| Expenses: | | | |
| Conference | \$ 36,303 | \$ - | \$ 36,303 |
| Memberships | 96,757 | - | 96,757 |
| Education and publications | 53,683 | - | 53,683 |
| Management and general | 92,371 | - | 92,371 |
| Total Expenses | <u>279,114</u> | <u>-</u> | <u>279,114</u> |
| Excess of Revenues Over (Under) Expenses and Losses | 79,672 | 32,439 | 112,111 |
| Net Assets, Beginning of Year | | | |
| Without donor restrictions | 228,294 | - | 228,294 |
| With donor restrictions | - | 137,680 | 137,680 |
| Donor-restricted endowment funds | <u>-</u> | <u>113,000</u> | <u>113,000</u> |
| Net Assets, End of Year | <u><u>\$ 307,966</u></u> | <u><u>\$ 283,119</u></u> | <u><u>\$ 591,085</u></u> |

See Independent Auditors' Report and Accompanying Notes.

American School Health Association
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 108,278 | \$ 112,111 |
| Adjustments to reconcile change in net assets to cash provided by (used for) operating activities: | | |
| Dividends and capital gain distributions reinvested | 4,519 | 9,707 |
| Realized (gains) on sales of investments | (4,418) | (3,906) |
| Unrealized (gains) losses on investments | 37,441 | (34,384) |
| Change in accounts receivable | (163,423) | 37,764 |
| Change in prepaid expenses | (9,896) | 5,819 |
| Change in accounts payable | 0 | (1,966) |
| Change in deferred revenue | 5,462 | (17,994) |
| Net cash provided by (used for) operating activities | <u>(22,037)</u> | <u>107,151</u> |
| Cash flows from investing activities: | | |
| Purchase of investments | (12,676) | (17,951) |
| Proceeds from investments | 13,800 | 12,000 |
| Net cash provided by (used for) investing activities | <u>1,124</u> | <u>(5,951)</u> |
| Net increase (decrease) in cash and cash equivalents | (20,913) | 101,200 |
| Cash and cash equivalents, beginning of year | <u>239,142</u> | <u>137,942</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 218,229</u></u> | <u><u>\$ 239,142</u></u> |

See Independent Auditors' Report and Accompanying Notes.

American School Health Association
Statement of Functional Expenses
For the Year Ended December 31, 2022

| | <u>Conference</u> | <u>Membership</u> | <u>Education and Publications</u> | <u>Management and General</u> | <u>Total</u> |
|-------------------------------|-------------------|-------------------|---|---------------------------------------|-------------------|
| Advertising expense | \$ - | \$ 2,102 | \$ - | \$ - | \$ 2,102 |
| Bank charges | - | - | - | 4,320 | 4,320 |
| Computer and software expense | 3,955 | - | - | 9,598 | 13,553 |
| Contract services | - | - | 500 | 17,935 | 18,435 |
| Continuing education expense | - | 225 | - | - | 225 |
| Equipment rental | - | - | - | - | - |
| Exhibition expense | - | - | - | - | - |
| Insurance | 1,095 | - | - | 1,306 | 2,401 |
| Leadership development | - | - | - | - | - |
| Legal and professional fees | - | - | - | 4,600 | 4,600 |
| Management fees | 26,506 | 88,355 | 17,671 | 44,177 | 176,709 |
| Meals and entertainment | 10,895 | - | - | - | 10,895 |
| Merchant fees | - | - | - | 981 | 981 |
| Office rent | - | - | - | 5,531 | 5,531 |
| Postage | - | - | - | 12 | 12 |
| Printing and copying | 77 | - | - | - | 77 |
| Publications | - | - | 35,100 | - | 35,100 |
| Speaker expense | 6,900 | - | - | - | 6,900 |
| Storage rental | - | - | - | - | - |
| Supplies | 522 | - | - | 384 | 906 |
| Survey expense | - | - | - | - | - |
| Telephone | - | - | - | - | - |
| Travel | 205 | - | - | - | 205 |
| Webinar expense | - | - | - | - | - |
| Website and internet expense | - | - | - | 317 | 317 |
| Miscellaneous | 1,446 | 1,541 | - | 1,386 | 4,373 |
| Total expenses | <u>\$ 51,601</u> | <u>\$ 92,223</u> | <u>\$ 53,271</u> | <u>\$ 90,547</u> | <u>\$ 287,642</u> |

See Independent Auditors' Report and Accompanying Notes.

American School Health Association
Statement of Functional Expenses
For the Year Ended December 31, 2021

| | <u>Conference</u> | <u>Membership</u> | <u>Education and Publications</u> | <u>Management and General</u> | <u>Total</u> |
|-------------------------------|-------------------|-------------------|---|---------------------------------------|-------------------|
| Advertising expense | \$ - | \$ 3,125 | \$ - | \$ - | \$ 3,125 |
| Bank charges | - | - | - | 555 | 555 |
| Computer and software expense | 435 | - | - | 13,557 | 13,992 |
| Contract services | 6,900 | - | - | 16,200 | 23,100 |
| Continuing education expense | - | 225 | - | - | 225 |
| Equipment rental | - | - | - | - | - |
| Exhibition expense | - | - | - | - | - |
| Insurance | - | - | - | 1,544 | 1,544 |
| Leadership development | - | 403 | - | - | 403 |
| Legal and professional fees | - | - | - | 4,375 | 4,375 |
| Management fees | 27,828 | 92,761 | 18,552 | 46,881 | 186,022 |
| Meals and entertainment | - | - | - | - | - |
| Merchant fees | - | - | - | 3,156 | 3,156 |
| Office rent | - | - | - | 4,638 | 4,638 |
| Postage | - | - | - | - | - |
| Printing and copying | 1,000 | - | - | - | 1,000 |
| Publications | - | - | 35,131 | - | 35,131 |
| Speaker expense | - | - | - | - | - |
| Storage rental | - | - | - | - | - |
| Supplies | 140 | - | - | 614 | 754 |
| Survey expense | - | - | - | - | - |
| Telephone | - | - | - | - | - |
| Travel | - | - | - | - | - |
| Webinar expense | - | - | - | - | - |
| Website and internet expense | - | - | - | 401 | 401 |
| Miscellaneous | - | 243 | - | 450 | 693 |
| Total expenses | <u>\$ 36,303</u> | <u>\$ 96,757</u> | <u>\$ 53,683</u> | <u>\$ 92,371</u> | <u>\$ 279,114</u> |

See Independent Auditors' Report and Accompanying Notes.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

A. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

American School Health Association (ASHA) is a 501(c)(3) nonprofit organization incorporated in 1971 under the laws of the state of Ohio. The Association is a national membership organization for health and education professionals who work in or with schools on health issues. The ASHA mission is “to transform all schools into places where every student learns and thrives.” ASHA envisions healthy students who learn and achieve in safe and healthy environments nurtured by caring adults functioning within coordinated school and community support systems. To provide leadership and realize this mission, ASHA had identified the following goals for the Association:

- **Lead:** Lead efforts to prioritize school-based approaches that promote lifelong health.
- **Educate:** Build a community to support the whole child.
- **Activate:** Activate champions of school health.

Activities that the Association pursues to accomplish these goals include a scientific journal, an annual conference, networking opportunities for members, advocacy activities, and continuing education opportunities. The Association funds these activities through grants, membership fees, subscription sales, and conference fees.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with United States of America generally accepted accounting principles. As such, revenues are recognized when earned, and expenses and related liabilities are recorded in the period incurred.

Financial Statement Presentation

As of January 1, 2019, the Organization has adopted ASU 2016-14, which requires that net assets be presented as with or without donor restrictions, rather than as unrestricted, temporarily restricted, or permanently restricted.

The Organization had total net assets of \$699,363 and \$591,085 as of December 31, 2022 and 2021, respectively. Of the total net assets, \$245,678 and \$283,119 were with donor restrictions as of December 31, 2022 and 2021.

Effective January 1, 2022, the Organization adopted *FASB ASC 842, Leases* and recognized and measured leases existing at, or entered into after, January 1, 2022 through a cumulative effect adjustment with certain practical expedients available. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

**A. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CON'T)**

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right-of-use assets.

As a result of the adoption of the new lease accounting guidance, the Organization recognized an operating lease liability of \$11,240 and a right-of-use asset of \$11,240 as of January 1, 2022. Results for years beginning prior to January 1, 2022 continue to be reported in accordance with the Organization's historical accounting treatment. The adoption of FASB ASC 842 had a material impact on the Organization's balance sheets but did not have a material impact on the Organization's results of operations, cash flows or debt covenants. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Recognition of Donor Restrictions

The Association records contributions in accordance with the requirements of the FASB Accounting Standards Codification – Revenue Recognition for Not-for-Profit Entities. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Revenue Recognition

The Association receives revenues primarily from publications, conference registrations and conference sponsors, and memberships.

The Association recognizes membership revenue as an exchange transaction because the value of the benefits received in exchange for the membership fee exceeds the value of the fee itself. Revenue derived from the membership in exchange transactions is recognized as income on the straight-line basis over the period of membership. Revenue from the sale of publications is recognized when sold. Amounts received before services are performed are recorded as deferred contract revenue and will be recognized as revenue as the contract is performed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

**A. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CON'T)**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in banks, and investments with initial maturities of three months or less. Restricted cash consists of amounts received that are deferred for future periods. Cash and cash equivalents held in the McGovern investment account are not included in cash but are reported as part of Restricted Investments – McGovern Fund on the statements of financial position.

Accounts Receivable

The Association considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

Fair Value of Financial Instruments

The Association's financial instruments consist of cash, prepaid expenses, short-term receivables and payables, and deferred revenues. The carrying value for all such instruments, considering the terms, approximates fair value at December 31, 2022 and 2021.

Investments

The Association records its investments in accordance with the requirements of the Investments in Debt and Equity Securities for Not-for-Profit entities standard of the FASB Accounting Standards Codification. This standard requires that investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Fair values are based upon quoted process in active markets for identical assets/liabilities (Level 1). Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting periods in which they occur.

Investment Policy

The Association's investment policy intends for the Association to invest in assets at three different levels:

The short-term reserve fund is intended to meet expenses from unanticipated activities. The objective of the fund is primarily liquidity, with optimization of investment return.

The long-term reserve fund is intended to provide financial stability and cash flow to support the Association's mission, with the objectives of long-term appreciation of assets and consistency of the total investment return.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

**A. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CON'T)**

The Board of Directors has interpreted the State Management of Institutional Funds Act (SMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, ASHA classifies as restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is also classified as restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by SMIFA. In accordance with SMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund (2) The purposes of the Association and the donor-restricted endowment fund (3) General economic conditions (4) The possible effect of inflation and deflation (5) The expected total return from income and the appreciation of investments (6) Other resources of the Association (7) The investment policies of the Association.

Exempt Status

The Association is exempt from federal income taxes under Internal Revenue Code 501(c)(3) as a public charity and not a private foundation. The Association is also exempt from state income tax. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income.

The Association's income tax filings are subject to audit by various taxing authorities. Open periods subject to audit for federal and state purposes are generally the previous three and four years of tax returns filed, respectively. Any interest or penalties assessed to the Association are recorded as operating expenses; however, there were no interest or penalties recorded for the year ended December 31, 2022 and 2021.

Concentration of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash. Non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation. The Association maintains its cash balances at two financial institutions. As of December 31, 2022 and 2021, the Association's uninsured cash balances were \$0.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

**A. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CON'T)**

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair market value. Major additions and improvements are capitalized as equipment if greater than \$500, while replacements, maintenance, and repairs, which do not improve or extend the lives of the respective assets are expensed. Depreciation is computed using a combination of accelerated methods and the straight-line method over estimated useful lives of the related assets which is 3-10 years for office equipment and furniture. Web site development costs have been capitalized and are being amortized over three years using the straight-line method.

Donated Goods and Services

The Association receives substantial amounts of services donated by its members in carrying out the business of the Association. No amounts have been reflected in the financial statements for those services since they do not meet the criteria under generally accepted accounting principles for recognition.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional fees, office supplies, and merchant fees. Expenses that can be directly attributed to a program or support function are charged to that program.

Advertisement

The Association expenses advertising costs when they are incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$2,102 and \$3,125, respectively.

Adoption of New Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financials for not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, and deficiencies in information provided about expenses and investment return. Management has implemented ASU 2016-14, and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, which resulted in no change to the previously reported net assets.

Date of Management Evaluation

Management has evaluated subsequent events through August 29, 2023, the date on which the financial statements were available to be issued. The Association has no responsibility to update these financial statements for events and circumstances occurring after this date.

American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

B. INVESTMENTS

The Fair Value Measurements and Disclosures topic of FASB Accounting Standards Codification establishes fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Association uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Association measured fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or 2 inputs are not available. As of December 31, 2021 and 2020, the Association's instruments are all valued using Level 1 inputs.

Investments consist of various mutual funds and are presented in the aggregate at their fair market value using Level 1 inputs as of December 31, 2022 and 2021 as follows:

| | <u>Original Cost</u> | <u>Fair Value</u> | <u>Unrealized Gain</u> |
|------|----------------------|-------------------|------------------------|
| 2022 | <u>\$ 220,951</u> | <u>\$ 256,157</u> | <u>\$ 35,206</u> |
| 2021 | <u>\$ 218,357</u> | <u>\$ 294,715</u> | <u>\$ 76,358</u> |

The following schedule summarizes the investment return for the years ended December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|--|--------------------|------------------|
| Dividends, interest and capital gain distributions | \$ 12,683 | \$ 13,952 |
| Realized gains on investments | 4,118 | 3,908 |
| Unrealized gain (loss) on investments | <u>(37,441)</u> | <u>34,384</u> |
| Total | <u>\$ (20,640)</u> | <u>\$ 52,242</u> |

Short-term investments considered cash equivalents of \$9,651 and \$9,644 at December 31, 2022 and 2021, respectively, are included in restricted cash on the statement of financial position.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

C. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of funding received from two sources. First are contributions and grants that are to be used entirely for special programs as identified by donor restrictions. Secondly, investment income from donor restricted endowment funds are recorded as restricted until used for the designated purpose.

Donor-restricted endowment funds consist of the principal balance of the McGovern Foundation Adornment Fund. The fund requires that the principal is to remain preserved. The Fund's earnings are recorded as restricted and are available to pay speaker fees for the McGovern Lecture at the annual conference.

Restricted net assets consisted of the following as of December 31, 2022 and 2021:

McGovern Foundation Endowment Fund:

| | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|------|-----------------------------------|-----------------------------------|-------------------|
| 2022 | <u>\$ 132,678</u> | <u>\$ 113,000</u> | <u>\$ 245,678</u> |
| 2021 | <u>\$ 170,119</u> | <u>\$ 113,000</u> | <u>\$ 283,119</u> |

The endowment fund consists of both temporarily and permanently restricted donations. Earnings on the fund may be used for the specific purpose of paying speaker fees for the Association's annual conference.

Following is a schedule of activity within the endowment fund in 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-------------------|-------------------|
| Beginning of year | \$ 285,071 | \$ 250,680 |
| Interest and dividends, net of fees | 5,114 | 4,337 |
| Amounts appropriated for expenditures | (13,800) | (12,000) |
| Purchases and reinvestments | (18,218) | (17,851) |
| Sales | 13,800 | 12,000 |
| Realized gains | 4,418 | 3,906 |
| Capital gain distributions | 7,562 | 9,615 |
| Unrealized gains (losses) | (37,441) | 34,384 |
| As of December 31 | <u>\$ 246,506</u> | <u>\$ 285,071</u> |

See Independent Auditors' Report.

**American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021**

D. STAFFING CONTRACT AND MANAGEMENT AGREEMENT

Effective January 8, 2018, the Association entered into a new management agreement with Prevention Insights at Indiana University for membership development and maintenance, Association operations, professional development and advocacy, as well as sponsorships and funding streams. The contract was extended on March 30, 2021 to cover the period through December 31, 2024. Total management fee expense for the years ended December 31, 2022 and 2021 was \$176,709 and \$186,022, respectively.

E. LEASE OBLIGATION

Operating Lease Obligation:

During 2021, the Organization entered into a lease agreement with the Trustees on Indiana University for office and storage space. The current lease was amended in August 2021 and extends through March 31, 2024. Rent expense for the year ended December 31, 2022 and 2021 was \$5,059 and \$4,638, respectively.

The following summarizes the weighted average remaining lease term and discount rates as of December 31, 2022:

| | |
|---------------------------------------|------------|
| Weighted Average Remaining Lease Term | |
| Operating leases: | 1.25 years |
| Weighted Average Discount Rate | |
| Operating leases: | 1.18% |

The maturities of lease liabilities as of December 31, 2022 are as follows:

| | | |
|-------------------------------|----|-------|
| 2023 | \$ | 5,059 |
| 2024 | | 1,265 |
| Future minimum lease payments | | 6,324 |
| Less: present value discount | | (43) |
| Total | \$ | 6,281 |

F. OTHER CASH FLOW DISCLOSURES

Cash paid for interest for the years ended December 31, 2022 and 2021 was \$0 and \$0, respectively. The amount paid for income tax for the years ended December 31, 2022 and 2021 was \$1,386 and \$0, respectively.

For the year ended December 31, 2022:

Right-of-use assets obtained in exchange for new operating lease liabilities: \$11,240

See Independent Auditors' Report.

American School Health Association
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

G. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There were no claims or settlements for the years ended December 31, 2022 and 2021, respectively.

H. RESTRICTED CONTRIBUTIONS

Restricted promises of support are included in the financial statements as receivables and revenue in the net asset with donor-imposed restrictions category. During 2022 and 2021, there were no restricted contributions.

I. FINANCIAL ASSET LIQUIDITY

The Organization's liquidity goal is to have sufficient assets available to meet operational expenditures for a 12-month period. The primary forms of funds available are cash and the expected collections of accounts receivable. Management regularly reviews the liquidity required to meet operational expenditures.

The following reflects the Organization's financial assets as of the balance sheet dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet dates.

| | <u>2022</u> | <u>2021</u> |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | <u>\$ 208,578</u> | <u>\$ 229,598</u> |
| Accounts receivable | <u>\$ 218,474</u> | <u>\$ 55,051</u> |
| Deferred revenue | <u>\$ 25,440</u> | <u>\$ 19,978</u> |
| Prepaid expenses | <u>\$ 41,595</u> | <u>\$ 31,699</u> |

See Independent Auditors' Report.