

**Audited Financial Statements
& Supplementary Information**

AMERICAN PUBLIC HEALTH ASSOCIATION

June 30, 2018

American Public Health Association

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Independent Auditor’s Report on the Financial Statements

To the Executive Board
American Public Health Association

Report on the Financial Statements

We have audited the accompanying financial statements of American Public Health Association (the Association), which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2018 and 2017, 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.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a separate report dated September 12, 2018 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Tate & Tryon". The signature is written in a cursive, flowing style.

Washington, DC
September 12, 2018

American Public Health Association

Statements of Financial Position

June 30,	2018	2017
Assets		
Cash and cash equivalents	\$ 9,549,930	\$ 8,671,219
Investments	8,750,368	8,331,217
Accounts receivable:		
Trade receivables	227,888	351,682
Grant and contract receivables	1,001,142	673,391
Less: allowance for doubtful accounts	(36,035)	(36,441)
	1,192,995	988,632
Publications inventory, net	320,471	301,932
Prepaid expenses and deposits	560,297	766,227
Property and equipment, net	8,963,731	9,261,685
Total assets	\$ 29,337,792	\$ 28,320,912
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,500,831	\$ 1,371,236
Deferred revenue:		
Membership dues	1,547,374	1,459,179
Convention	1,359,712	1,309,256
Grants and contracts	658,731	1,009,309
Subscription fees	500,218	511,733
Publications	158,660	208,579
Other	117,462	101,043
	4,342,157	4,599,099
Bond payable, net	4,868,649	5,295,646
Total liabilities	10,711,637	11,265,981
Net assets		
Unrestricted:		
Undesignated	16,914,699	15,329,233
Board designated	355,291	373,093
	17,269,990	15,702,326
Temporarily restricted	716,353	719,568
Permanently restricted	639,812	633,037
Total net assets	18,626,155	17,054,931
Total liabilities and net assets	\$ 29,337,792	\$ 28,320,912

See notes to the financial statements.

American Public Health Association

Statements of Activities

Year Ended June 30,	2018	2017
Unrestricted activities		
Revenue and support		
Convention	\$ 6,447,422	\$ 6,071,649
Grants and contracts	4,980,854	4,000,629
Membership dues	2,962,251	2,888,680
Subscription fees and royalties	1,905,600	1,877,476
Book sales	567,106	752,427
Rental income	349,919	340,478
Advertising	257,540	258,410
Other programs	141,331	83,765
Contributions	70,909	73,910
Interest and dividends - operating accounts	16,655	6,280
	17,699,587	16,353,704
Net assets released from restrictions - satisfaction of program restrictions	168,384	151,595
Total unrestricted revenue and support	17,867,971	16,505,299
Expense		
Program services		
Scientific and professional affairs	4,832,131	4,200,909
Convention	2,779,546	2,622,815
Periodicals	2,386,983	2,374,553
Membership services	1,109,572	1,126,857
Government relations and affiliate affairs	1,008,688	1,346,645
Books	988,070	1,116,813
Kellogg grant	114,082	95,999
Award programs	45,854	30,920
Total program services	13,264,926	12,915,511
Supporting services		
Management and general	2,831,145	2,643,911
Communications	429,897	392,323
Fund raising	199,310	259,941
Total supporting services	3,460,352	3,296,175
Total expense	16,725,278	16,211,686
Change in unrestricted net assets before non-operating investment income	1,142,693	293,613
Investment income - non-operating	424,971	283,761
Change in unrestricted net assets	1,567,664	577,374
Temporarily restricted activities		
Contributions	160,685	225,082
Investment income	4,484	8,502
Net assets released from restrictions	(168,384)	(151,595)
Change in temporarily restricted net assets	(3,215)	81,989
Permanently restricted activities		
Contributions	6,775	6,858
Change in net assets	1,571,224	666,221
Net assets, beginning of year	17,054,931	16,388,710
Net assets, end of year	\$ 18,626,155	\$ 17,054,931

See notes to the financial statements.

American Public Health Association

Statements of Cash Flows

Year Ended June 30,	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 1,571,224	\$ 666,221
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	517,399	726,958
Net gain on investments	(239,031)	(210,801)
Amortization of deferred financing costs	20,346	20,347
Changes in assets and liabilities:		
Accounts receivable	(204,363)	(303,087)
Publications inventory	(18,539)	(84,221)
Prepaid expenses and deposits	205,930	(134,370)
Accounts payable and accrued expenses	129,595	139,669
Deferred revenue	(256,942)	574,032
Total adjustments	154,395	728,527
Net cash provided by operating activities	1,725,619	1,394,748
Cash flows from investing activities		
Purchases of investments	(1,931,481)	(1,960,884)
Proceeds from sales of investments	1,751,361	1,893,357
Purchases of property and equipment	(219,445)	(234,930)
Net cash used in investing activities	(399,565)	(302,457)
Cash flows from financing activities		
Principal payments on bond payable	(447,343)	(438,726)
Net increase in cash and cash equivalents	878,711	653,565
Cash and cash equivalents, beginning of year	8,671,219	8,017,654
Cash and cash equivalents, end of year	\$ 9,549,930	\$ 8,671,219
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 116,024	\$ 113,925

See notes to the financial statements.

American Public Health Association

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: American Public Health Association (the Association) is a non-profit membership organization established in 1872 and incorporated in 1918 under the laws of the Commonwealth of Massachusetts. The objective of the Association is to protect and promote personal and environmental health.

Income tax status: The Association is exempt from income taxes on its exempt activities under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). However, the Association is subject to income taxes on its net unrelated business income activity (primarily advertising and rental income). The Association had no net unrelated business income tax expense during the years ended June 30, 2018 and 2017. In addition, the Association qualifies under Section 509(a)(2) of the IRC as an organization other than a private foundation.

Basis of accounting: The Association prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when the obligation is incurred.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents: For financial statement purposes, the Association considers all demand accounts, money market funds, and investments with a maturity of three months or less at the time of purchase that are not held by investment custodians to be cash equivalents.

Accounts receivable: Receivables consist primarily of amounts due from the annual convention, publications, and grant and contract activities. The Association's management periodically reviews the status of all accounts receivable balances for collectability, which they determine based on their knowledge of the customer, relationship with the customer, and the age of the receivable. As a result of these reviews, allowances are recorded for customer balances deemed to be potentially uncollectible.

Inventory: Inventory is entirely comprised of publications available for sale, and is valued at the lower of cost (first-in, first-out basis) or market value. Management determines the allowance for obsolete inventory which totaled \$59,010 and \$31,585 at June 30, 2018 and 2017, respectively. The allowance for obsolete inventory is based on quantities on hand and prior year sales. Inventory is written off when deemed not salable.

Deferred revenue: Deferred revenue consists of grant and contract receipts, member dues, convention fees, and subscription fees received in advance of the periods in which they are to be earned.

American Public Health Association

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net assets: For the financial statement purposes, net assets are classified as follows:

Unrestricted:

Undesignated – represents funds available for the Association’s general operations.

Board designated – represents funds that have been designated for the awards program by the Association’s Board of Directors.

Temporarily restricted – represents the portion of net assets that have been restricted by donors for either specified purposes or timing of use (see Note G).

Permanently restricted – represents the portion of net assets that have been restricted by donors who require the principal of the gift to be maintained in perpetuity with only the earnings to be used for a specified purpose (see Notes F & H).

Revenue recognition: Contributions, including grants, are recorded when unconditionally, committed as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets and then reclassified to unrestricted net assets when the restriction expires. Convention revenue is recognized as revenue once the event takes place. Membership dues revenue is recognized ratably over the membership period. Revenue from all other sources is recognized when earned.

Functional allocation of expense: The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent events: Subsequent events have been evaluated through September 20, 2018, which is the date the financial statements were available to be issued.

B. CREDIT AND MARKET RISK

Credit risk: The Association maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Association.

Market value risk: The Association also invests funds in a professionally managed portfolio that contains various securities detailed in Note C. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio’s value during subsequent periods.

American Public Health Association

Notes to the Financial Statements

C. INVESTMENTS

In accordance with accounting principles generally accepted in the United States of America, the Association uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Includes inputs other than level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments valued using Level 1 inputs were valued based on quoted prices for identical assets in active markets on a recurring basis.

Investments valued using Level 2 inputs are priced by the investment custodian using an outside data and pricing company that uses a market approach and spreads based on the credit risk of the issuer, maturity, current yield, trading frequency, and other terms and conditions of each security. Management believes the estimates to be a reasonable approximation of the fair value of the investments.

The Organization did not have any investments that were valued using Level 3 inputs at June 30, 2018 and 2017.

Investments recorded at cost include certificates of deposit and money market funds. Investments carried at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

American Public Health Association

Notes to the Financial Statements

C. INVESTMENTS - CONTINUED

Investments, recorded at fair value, consist of the following at June 30,:

2018	Total	Level 1	Level 2	Level 3
Corporate and government debt securities	\$ 3,508,379	\$ -	\$ 3,508,379	\$ -
Equities	2,869,632	2,869,632		
Mutual funds - fixed income	920,085	920,085		
Mutual funds - equity	733,717	733,717		
Master limited partnership note	116,610	116,610		
Real estate investment trust	37,196	37,196		
	8,185,619	\$ 4,677,240	\$ 3,508,379	\$ -
Money market funds	234,295			
Certificates of deposit	330,454			
	\$ 8,750,368			

2017	Total	Level 1	Level 2	Level 3
Corporate and government debt securities	\$ 3,229,877	\$ -	\$ 3,229,877	\$ -
Equities	2,719,078	2,719,078		
Mutual funds - fixed income	934,680	934,680		
Mutual funds - equity	690,474	690,474		
Master limited partnership note	128,168	128,168		
Real estate investment trust	38,832	38,832		
	7,741,109	\$ 4,511,232	\$ 3,229,877	\$ -
Money market funds	260,040			
Certificates of deposit	330,068			
	\$ 8,331,217			

Investment income consists of the following for the years ended June 30,:

	2018	2017
Interest and dividends	\$ 207,079	\$ 87,742
Net gain on investments	239,031	210,801
	\$ 446,110	\$ 298,543

For the year ended June 30, 2018, interest and dividends are presented on the statements of activities in the amounts of \$16,655 for unrestricted operating accounts, \$9,969 for temporarily restricted accounts, and \$180,455 for non-operating investments. For the year ended June 30, 2017, interest and dividends are presented on the statements of activities in the amounts of \$6,280 for unrestricted operating accounts, \$8,502 for temporarily restricted accounts, and \$72,960 for non-operating investments. For the years ended June 30, 2018 and 2017, the entire gain on investments of \$239,031 and \$210,801, respectively, is recorded as non-operating investment income on the statements of activities.

American Public Health Association

Notes to the Financial Statements

D. PROPERTY AND EQUIPMENT

The Association capitalizes at cost, all property and equipment purchases of \$1,500 or more. Property and equipment is depreciated using the straight-line method over the following estimated useful lives:

Building	40 years
Building improvements	10 years
Furniture and fixtures	7-10 years
Equipment and software	3-5 years

Tenant improvements are amortized over the lesser of the remaining lease term or the estimated useful lives of the improvements.

Property and equipment consists of the following at June 30,:

	2018	2017
Land	\$ 3,088,200	\$ 3,088,200
Building	9,623,444	9,623,444
Building improvements	401,692	401,692
Furniture and fixtures	1,147,749	1,147,749
Equipment	1,391,012	1,360,859
Software	3,004,766	2,815,473
	<u>18,656,863</u>	<u>18,437,417</u>
Less accumulated depreciation and amortization	<u>(9,693,132)</u>	<u>(9,175,732)</u>
	<u>\$ 8,963,731</u>	<u>\$ 9,261,685</u>

E. BOND PAYABLE

On August 8, 2013, the Association refinanced its building. The District of Columbia issued a fixed rate tax-exempt bond in the amount of \$7,160,000. Under the provisions of the agreement, payments for the note are made monthly and will continue until August 1, 2028. The interest rate is 2.33% effective January 1, 2018. The prior interest rate of 1.92% was increased subject to the change in the Maximum Federal Corporate Tax Rate as passed as part of the Tax Cut and Jobs Act of 2017. The Bonds have been purchased and are held by SunTrust Bank with the building serving as security. The principal balance of the revenue bond was \$5,073,807 and \$5,521,150 at June 30, 2018 and 2017, respectively.

During the year ended June 30, 2018, the Association adopted FASB ASC 835-30, simplifying the presentation of debt issuance cost. Therefore, Association's debt issuance costs totaling \$205,158 and \$225,504 at June 30, 2018 and 2017, respectively, which were previously presented as an asset in the statements of financial position, are now presented as component of the balance due on the bond payable. Furthermore, as required by the new standard, prior year amounts have been reclassified to conform to the current year presentation. The net bond payable totaled \$4,868,649 and \$5,295,646 at June 30, 2018 and 2017, respectively.

The loan stipulates several covenants. The Association believes it is in compliance with all loan covenants.

American Public Health Association

Notes to the Financial Statements

E. BOND PAYABLE - CONTINUED

Interest expense on the bond payable for the years ended June 30, 2018 and 2017 was \$116,024 and \$113,925, respectively.

Approximate future minimum principal payments on the bond payable are as follows:

For the Year Ending June 30,	Amount
2019	\$ 456,000
2020	465,000
2021	474,000
2022	483,000
2023	493,000
Thereafter	<u>2,703,000</u>
	<u>\$ 5,074,000</u>

F. ENDOWMENT

The Association's endowment consists primarily of funds established for award programs. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Association has interpreted the *Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA)*, enacted by the District of Columbia, 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, the Association classifies as permanently 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.

Return Objectives and Risk Parameters

The Association has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s). The endowment assets are invested in a conservative manner with the expectation to provide an average annual rate of return of approximately 3 percent over time. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized), interest and dividends.

American Public Health Association

Notes to the Financial Statements

F. ENDOWMENT – CONTINUED

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy of maintaining a full historical value of the permanently restricted endowments. The permanently restricted funds are currently invested in certificates of deposit and mutual funds in an effort to generate returns to cover short-term spending targets.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donors originally contributed as an endowment fund to the Foundation. In accordance with generally accepted accounting principles, deficiencies of this nature would be reported within unrestricted net assets. However, there were no deficiencies of this nature at June 30, 2018 and 2017.

Changes in endowment net assets for the year ended June 30, 2018 were as follows:

	Board-designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning endowment net assets	\$ 373,093	\$ 11,565	\$ 633,037	\$ 1,017,695
Interest income	804	8,378		9,182
Net loss on investment		(5,485)		(5,485)
Contributions			6,775	6,775
Expenditures	(18,606)	(4,958)		(23,564)
Ending endowment net assets	\$ 355,291	\$ 9,500	\$ 639,812	\$ 1,004,603

Changes in endowment net assets for the year ended June 30, 2017 were as follows:

	Board-designated Unrestricted	Temporarily Restricted	Permanently Restricted	Total
.	\$ 375,641	\$ 10,564	\$ 626,179	\$ 1,012,384
Investment income	2,774	8,972		11,746
Contributions			6,858	6,858
Expenditures	(5,322)	(7,971)		(13,293)
Ending endowment net assets	\$ 373,093	\$ 11,565	\$ 633,037	\$ 1,017,695

American Public Health Association

Notes to the Financial Statements

G. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30,:

	2018	2017
Award programs	\$ 341,506	\$ 342,312
Scientific, professional and section affairs	338,062	332,725
Fund raising	33,550	41,296
Convention	3,235	3,235
	<u>\$ 716,353</u>	<u>\$ 719,568</u>

Temporarily restricted net assets were released from donor restrictions for the years ended June 30, 2018 and 2017 by incurring expenses satisfying the purposes specified by donors as follows:

	2018	2017
Scientific, professional and section affairs	\$ 116,486	\$ 105,095
Award programs	27,248	22,825
Fund raising	24,650	23,675
	<u>\$ 168,384</u>	<u>\$ 151,595</u>

H. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following at June 30,:

	2018	2017
Award programs	\$ 635,737	\$ 628,962
Scientific, professional and section affairs	4,075	4,075
	<u>\$ 639,812</u>	<u>\$ 633,037</u>

I. RENTAL INCOME

The Association leases approximately 6,600 square feet of its headquarters building in Washington, DC under a noncancelable operating lease expiring June 30, 2020. Total rental income from the lease was \$349,919 and \$340,478 for the years ended June 30, 2018 and 2017, respectively. Approximate future receipts under the lease area as follows for the years ending June 30,:

2019	\$ 350,700
2020	<u>357,700</u>
	<u>\$ 708,400</u>

American Public Health Association

Notes to the Financial Statements

J. RETIREMENT PLAN

The Association has a tax deferred annuity plan under IRS Section 403(b) covering substantially all employees meeting certain age and service requirements. Employees are able to voluntarily enter into a salary reduction agreement wherein a portion of their salary is forwarded to the plan. The Association's contributions to the Plan are based upon: (1) a percentage of the employee's compensation, and (2) the amount of the employee's contribution. The Association's retirement plan expense for the years ended June 30, 2018 and 2017 was \$277,765 and \$286,808, respectively.

K. COMMITMENTS AND CONTINGENCIES

Employment contract: The Association has an employment agreement with a key employee. According to the agreement, if the employee is terminated by the Association without cause, the Association must continue to pay the employee at the then-current salary rate for a period of six months following the date of notice.

Hotel and convention center contracts: The Association has entered into several agreements with hotels providing for room accommodations for its meetings and conventions through 2026. In the event the Association cancels its agreement with the hotels, it can be held liable for amounts up to the total net room commitment depending upon the date of cancellation, less any insurance proceeds.

Federal grants and contracts: The Association participates in a federally assisted grant program and federal contract, both of which are subject to financial and compliance audits by the U.S. Department of Health and Human Services or its representatives. As such, there exists the possibility for potential questioned costs that may result from such an audit. Management does not anticipate any significant adjustments if such an audit were to occur.

T A T E



TRYON

A Professional Corporation

Certified Public

Accountants

and Consultants

Independent Auditor’s Report on the Supplementary Information

To the Executive Board
American Public Health Association

We have audited the financial statements of American Public Health Association as of and for the year ended June 30, 2018, and our report thereon dated September 20, 2018, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expense is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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September 20, 2018

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American Public Health Association

Schedule of Functional Expense

Year Ended June 30, 2018 (with Comparative 2017 Totals)

	Scientific and Professional Affairs	Convention	Periodicals	Government Relations and Affiliate Affairs	Membership Services	Books	Kellogg Grant	Award Programs	Management and General	Communi- cations	Fund Raising	2018 Total	2017 Total
Salaries and wages	\$ 1,170,843	\$ 545,306	\$ 504,423	\$ 386,678	\$ 439,725	\$ 348,270	\$ 61,393	\$ -	\$ 1,686,490	\$ 272,685	\$ 93,599	\$ 5,509,412	\$ 5,424,140
Employee benefits and payroll taxes	314,642	156,693	156,465	82,411	118,866	90,914	14,086		422,239	72,067	27,447	1,455,830	1,476,786
Consulting and temporary services	655,417	65,498	387,953	60,975	35,416	140,105	15,400		177,981	7,394	6,000	1,552,139	1,437,817
Professional services	77,100	856	289,486	2,150	34,928	14,012	369		191,192	4,001		614,094	432,502
Subcontract costs	982,567											982,567	1,047,648
On-site convention costs	70,443	1,391,371	8,292	2,265	12,633	2,920		705	46,548	2,137	7,284	1,544,598	1,311,548
Property management, rent and utilities									234,228			234,228	217,925
Depreciation and amortization	14,975	11,402	31,400	8,902	11,103	11,885	117		421,981	2,606	3,028	517,399	726,958
Equipment rental and maintenance	8,647	5,567	6,000	5,621	4,236	3,051			98,011	2,085	742	133,960	137,329
Telephone	26,057	4,135	2,610	6,453	12,421	1,405	2		24,746	2,495	478	80,802	106,180
Travel and related costs	303,318	40,067	64,608	111,776	218,286	19,273	3,870	23,470	164,296	3,920		952,884	826,943
Printing and production	28,404	82,939	490,668	2,993	28,545	27,593	120		(903)	5,286	103	665,748	688,522
Cost of goods sold						83,258						83,258	188,289
Postage, shipping and mailing	2,783	40,426	143,070	302	17,668	86,125	1	153	8,080	185	438	299,231	341,151
Supplies and equipment	97,903	11,142	6,290	10,636	8,163	4,865	1,198		50,020	234	1,345	191,796	97,962
Insurance	15,294	24,538	11,376	6,049	4,460	26,826			15,583		1,523	105,649	109,464
Taxes (non-payroll)									412,403			412,403	397,755
Building interest and finance costs									136,370			136,370	134,271
Other costs	135,525	246,027	125,569	140,446	67,922	59,170	2,662	21,526	288,213	17,444	39,684	1,144,188	999,419
Contribution to other organizations		10,000							98,722			108,722	109,077
Indirect and Board allocation	773,274	49,209	51,273	80,308	19,636	17,486	14,864		(1,010,389)	-	4,339	-	-
Occupancy allocation	154,939	94,370	107,500	100,723	75,564	50,912			(634,666)	37,358	13,300	-	-
	\$ 4,832,131	\$ 2,779,546	\$ 2,386,983	\$ 1,008,688	\$ 1,109,572	\$ 988,070	\$ 114,082	\$ 45,854	\$ 2,831,145	\$ 429,897	\$ 199,310	\$ 16,725,278	\$ 16,211,686