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# National Environmental Health Association

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**Financial Report**  
**September 30, 2020**

<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-15

## Independent Auditor's Report

To the Board of Directors  
National Environmental Health Association

### Report on the Financial Statements

We have audited the accompanying financial statements of National Environmental Health Association (the "Association"), which comprise the statement of financial position as of September 30, 2020 and 2019 and the related statements of activities and changes in net assets, functional expenses, 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 National Environmental Health Association as of September 30, 2020 and 2019 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As described in Note 2 to the financial statements, the COVID-19 pandemic has impacted business operations. Our opinion is not modified with respect to this matter.

To the Board of Directors  
National Environmental Health Association

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2021 on our consideration of National Environmental Health Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 the 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 National Environmental Health Association's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

February 4, 2021

## National Environmental Health Association

### Statement of Financial Position

September 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,204,356	\$ 1,232,482
Investments	593,696	353,979
Accounts receivable - Net of allowance for doubtful accounts of \$4,000	444,924	584,926
Inventory	58,270	66,935
Prepaid expenses and other current assets	33,205	35,355
	<u>2,334,451</u>	<u>2,273,677</u>
<b>Investments</b>	<u>1,532,570</u>	<u>1,363,636</u>
	<u><b>\$ 3,867,021</b></u>	<u><b>\$ 3,637,313</b></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 105,695	\$ 198,329
Deferred revenue	313,069	326,867
Accrued vacation	141,264	103,312
Accrued liabilities and other		
Accrued compensation	50,830	166,523
Other accrued liabilities	85,576	137,064
Deferred rent - Current portion	24,097	23,876
	<u>720,531</u>	<u>955,971</u>
<b>Deferred Rent</b>	<u>-</u>	<u>24,097</u>
	<u>720,531</u>	<u>980,068</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	2,930,542	2,217,746
Board designated	104,155	340,625
	<u>3,034,697</u>	<u>2,558,371</u>
With donor restrictions	<u>111,793</u>	<u>98,874</u>
	<u>3,146,490</u>	<u>2,657,245</u>
	<u><b>\$ 3,867,021</b></u>	<u><b>\$ 3,637,313</b></u>

## National Environmental Health Association

### Statement of Activities and Changes in Net Assets

Years Ended September 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Gains</b>						
Program and partnership development	\$ 1,892,395	\$ -	\$ 1,892,395	\$ 2,148,242	\$ -	\$ 2,148,242
Annual Education Conference	50,200	-	50,200	941,288	-	941,288
Credentialing and education	745,390	-	745,390	768,780	-	768,780
Membership dues	530,173	-	530,173	500,565	-	500,565
Journal of Environmental Health	144,096	-	144,096	149,546	-	149,546
Contributions	19,844	8,193	28,037	19,614	7,191	26,805
Hurricane supplemental	2,147,201	-	2,147,201	2,396,756	-	2,396,756
Publications	29,590	-	29,590	40,474	-	40,474
PPP grant funds	616,763	-	616,763	-	-	-
Entrepreneurial Zone	1,372,830	-	1,372,830	1,706,298	-	1,706,298
Investment income - Net	96,073	11,726	107,799	57,613	460	58,073
Miscellaneous income	12,480	-	12,480	32,245	-	32,245
Net assets released from restrictions	7,000	(7,000)	-	-	-	-
<b>Total revenue and gains</b>	<b>7,664,035</b>	<b>12,919</b>	<b>7,676,954</b>	<b>8,761,421</b>	<b>7,651</b>	<b>8,769,072</b>
<b>Expenses</b>						
Program services:						
Grants, contracts, and subawards	4,799,601	-	4,799,601	4,682,035	-	4,682,035
Special projects	1,573,057	-	1,573,057	2,635,017	-	2,635,017
<b>Total program services</b>	<b>6,372,658</b>	<b>-</b>	<b>6,372,658</b>	<b>7,317,052</b>	<b>-</b>	<b>7,317,052</b>
Support services:						
Management and general	812,104	-	812,104	1,031,230	-	1,031,230
Fundraising	2,947	-	2,947	-	-	-
<b>Total expenses</b>	<b>7,187,709</b>	<b>-</b>	<b>7,187,709</b>	<b>8,348,282</b>	<b>-</b>	<b>8,348,282</b>
<b>Increase in Net Assets</b>	<b>476,326</b>	<b>12,919</b>	<b>489,245</b>	<b>413,139</b>	<b>7,651</b>	<b>420,790</b>
<b>Net Assets - Beginning of year</b>	<b>2,558,371</b>	<b>98,874</b>	<b>2,657,245</b>	<b>2,145,232</b>	<b>91,223</b>	<b>2,236,455</b>
<b>Net Assets - End of year</b>	<b>\$ 3,034,697</b>	<b>\$ 111,793</b>	<b>\$ 3,146,490</b>	<b>\$ 2,558,371</b>	<b>\$ 98,874</b>	<b>\$ 2,657,245</b>

See notes to financial statements.

## National Environmental Health Association

## Statement of Functional Expenses

Year Ended September 30, 2020

	Program Services			Support Services			
	Grants, Contracts, and Subawards	Special Projects	Total Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 1,728,280	\$ 734,658	\$ 2,462,938	\$ 358,307	\$ 452	\$ 358,759	\$ 2,821,697
Benefits	534,908	296,279	831,187	95,921	-	95,921	927,108
Advertising and marketing	-	5,743	5,743	17,365	-	17,365	23,108
Computer equipment and supplies	52,939	-	52,939	51,144	-	51,144	104,083
Conference and meetings	37,297	-	37,297	12,961	-	12,961	50,258
Contracted services	1,918,740	260,492	2,179,232	2,705	-	2,705	2,181,937
Cost of goods sold	-	41,086	41,086	-	-	-	41,086
Equipment rental and maintenance	11,742	-	11,742	11,344	-	11,344	23,086
Fees	44,824	30	44,854	43,304	-	43,304	88,158
Fundraising	-	-	-	-	2,495	2,495	2,495
Insurance	12,889	-	12,889	12,452	-	12,452	25,341
Miscellaneous	12,390	1,218	13,608	4,297	-	4,297	17,905
Occupancy	150,282	-	150,282	145,186	-	145,186	295,468
Office supplies	174,758	16,098	190,856	8,996	-	8,996	199,852
Postage, mailing, and shipping	10,452	12,051	22,503	1,520	-	1,520	24,023
Printing and publications	-	101,520	101,520	-	-	-	101,520
Professional services	24,178	316	24,494	23,358	-	23,358	47,852
Royalties	-	82,075	82,075	-	-	-	82,075
Taxes	442	-	442	427	-	427	869
Travel	85,480	21,491	106,971	15,267	-	15,267	122,238
Scholarship	-	-	-	7,550	-	7,550	7,550
Total functional expenses	<b>\$ 4,799,601</b>	<b>\$ 1,573,057</b>	<b>\$ 6,372,658</b>	<b>\$ 812,104</b>	<b>\$ 2,947</b>	<b>\$ 815,051</b>	<b>\$ 7,187,709</b>

## National Environmental Health Association

## Statement of Functional Expenses

Year Ended September 30, 2019

	Program Services			Support Services	
	Grants, Contracts, and Subawards	Special Projects	Total	Management and General	Total
Salaries	\$ 1,207,221	\$ 1,180,120	\$ 2,387,341	\$ 427,497	\$ 2,814,838
Benefits	199,990	2,419	202,409	179,999	382,408
Advertising and marketing	-	-	-	44,176	44,176
Computer equipment and supplies	54,561	78,005	132,566	34,101	166,667
Conference and meetings	-	176,823	176,823	57,014	233,837
Contracted services	2,370,297	387,630	2,757,927	12,212	2,770,139
Cost of goods sold	-	61,415	61,415	-	61,415
Equipment rental and maintenance	21,185	46,297	67,482	368	67,850
Fees	54,747	31,140	85,887	23,587	109,474
Insurance	15,822	8,493	24,315	329	24,644
Miscellaneous	1,849	185,285	187,134	31,608	218,742
Occupancy	75,806	120,067	195,873	97,913	293,786
Office supplies	199,087	41,567	240,654	14,528	255,182
Postage, mailing, and shipping	16,777	47,024	63,801	2,940	66,741
Printing and publications	19,983	105,558	125,541	1,597	127,138
Professional services	-	-	-	39,319	39,319
Royalties	-	100,271	100,271	-	100,271
Taxes	-	-	-	1,401	1,401
Travel	444,710	62,903	507,613	62,641	570,254
Total functional expenses	<b>\$ 4,682,035</b>	<b>\$ 2,635,017</b>	<b>\$ 7,317,052</b>	<b>\$ 1,031,230</b>	<b>\$ 8,348,282</b>



## National Environmental Health Association

### Statement of Cash Flows

Years Ended September 30, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 489,245	\$ 420,790
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	-	2,961
Amortization of deferred rent	(23,876)	(22,868)
Realized and unrealized gains on investments	(69,503)	(24,583)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	140,002	(291,553)
Unbilled receivables	-	100,000
Inventory	8,665	(6,333)
Prepaid expenses and other assets	2,150	6,689
Accounts payable	(92,634)	92,662
Deferred revenue	(13,798)	(88,293)
Accrued vacation	37,952	(1,443)
Accrued compensation	(115,693)	120,640
Other accrued expenses	(51,488)	125,165
Net cash and cash equivalents provided by operating activities	311,022	433,834
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(499,128)	(1,204,357)
Proceeds from sales of investments	159,980	-
Net cash and cash equivalents used in investing activities	(339,148)	(1,204,357)
<b>Net Decrease in Cash and Cash Equivalents</b>	(28,126)	(770,523)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,232,482	2,003,005
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 1,204,356</b>	<b>\$ 1,232,482</b>

**September 30, 2020 and 2019**

**Note 1 - Nature of Business**

National Environmental Health Association (the "Association"), a nonprofit organization, was incorporated in 1937. The Association is a membership organization whose mission is to advance the environmental health professional for the purpose of providing a healthful environment for all. Its members, who are primarily environmental health professionals, are provided educational services through the Association's Annual Educational Conference (AEC), various environmental workshops, and the sales of environmental publications. The Association reports its governmental contracts and certain Entrepreneurial Zone (EZ) program activities as grants, contracts, and subawards in the statements of activities and changes in net assets and functional expenses. The AEC, periodicals, credentialing and continuing education, membership, and remaining EZ activities are reported as special projects.

**Note 2 - Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the Association have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

***Classification of Net Assets***

Net assets of the Association are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Association.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

***Board-designated Net Assets***

Board-designated net assets are net assets without donor restrictions designated by the board for various purposes (see Note 7). These designations are based on board actions, which can be altered or revoked at a future time by the board.

***Cash and Cash Equivalents***

For the purpose of the accompanying financial statements, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these investments.

***Investments***

The Association reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values, with unrealized gains and losses included on the statement of activities and changes in net assets.

**September 30, 2020 and 2019**

**Note 2 - Significant Accounting Policies (Continued)**

***Accounts Receivable***

Accounts receivable represent amounts due resulting from the sales of products and performance of services provided to other organizations and individuals. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Association on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance.

***Credit Risk, Major Customers, and Suppliers***

As of September 30, 2020 and 2019, 78 percent and 73 percent, respectively, of the Association's accounts receivable were due from three government agencies.

The Association received grant revenue from three governmental agencies during the years ended September 30, 2020 and 2019, which made up approximately 61 percent of total revenue for both years.

***Inventory***

Inventory is stated at the lower of cost or net realizable value and consists of books and other educational materials held for sale.

***Property and Equipment***

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

***Revenue Recognition and Deferred Revenue***

Revenue is recognized when it is realized or realizable and earned. The Association considers revenue realized or realizable when it has persuasive evidence of an agreement, the product has been delivered, services have been provided to the customer, the sale price is fixed or determinable, and collectibility is reasonably assured. Grant revenue is recorded in the period the respective expenses are incurred. Differences in the timing of billings and revenue recognition are reflected in unbilled accounts receivable and deferred revenue. Provisions for the entire amount of estimated losses on uncompleted contracts are recorded in the period such losses are determined. Amounts received in advance are deferred until the earnings process is complete, at which time they are recognized as revenue.

***Contributions***

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. As of September 30, 2020, conditional grant awards totaling approximately \$7,770,000 are remaining to be recognized on those government grants in the future as their conditions are met.

**Note 2 - Significant Accounting Policies (Continued)**

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Expenses are recorded based on the direct benefit to a program or supporting activity. Salaries and benefits are reported by function based on time and effort. Certain costs have been allocated between the various programs and support services based on estimates, as determined by management. Occupancy costs are allocated based on square footage utilized by function. Technology costs are allocated based on headcount. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Income Taxes***

The Association is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

***Recently Adopted Accounting Pronouncement***

Effective July 1, 2019, the Association adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The adoption did not have a material impact to the financial statements, and the Association's revenue recognition practices were substantially unchanged as a result of applying ASU No. 2018-08.

***Upcoming Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Association's year ending September 30, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. The Association has not yet determined which application method it will use.

**Note 2 - Significant Accounting Policies (Continued)**

The FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in Accounting Standards Codification (ASC) 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The Association is still evaluating which method it will apply. The new lease standard is expected to have a significant effect on the Association's financial statements as a result of the Association's operating leases, as disclosed in Note 11, that will be reported on the statement of financial position at adoption. Upon adoption, the Association will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The new guidance will be effective for the Association's year ending September 30, 2023. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

***Risks and Uncertainties***

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries implemented measures to combat the outbreak that impacted global business operations. The Association has not experienced any decreases in grant funding and has experienced increases in the demand for its services. Due to restrictions on gatherings of large groups of people during the year, the Annual Education Conference was canceled, which resulted in a reduction of revenue and expenses related to the conference. Management has limited discretionary spending as a means of decreasing expenses in anticipation of future programmatic needs. In response to the impact of COVID-19, the Association applied for and received a Paycheck Protection Program loan in the amount of \$616,763 (see Note 9). Due to the uncertainty surrounding the situation, the impact to the Association's future revenue, expenses, cash flows, and financial condition cannot be estimated at this time.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including February 4, 2021, which is the date the financial statements were available to be issued.

**Note 3 - Liquidity and Availability of Resources**

The Association has \$2,242,976 and \$2,171,387 of financial assets available within one year of September 30, 2020 and 2019, respectively, to meet cash needs for general expenditure consisting of cash of \$1,204,356 and \$1,232,482, receivables of \$444,924 and \$584,926, and investments of \$593,696 and \$353,979. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Association invests cash in excess of daily requirements in various investments, including mutual funds, corporate bonds, and treasury instruments.

September 30, 2020 and 2019

**Note 4 - Investments**

The details of the Association's investments and restricted cash and investments at September 30 are as follows:

	2020	2019
Mutual funds - Equities	\$ 161,260	\$ 121,810
Mutual funds - Bonds	49,284	51,830
U.S. Treasury	498,725	490,250
Corporate bonds	1,347,117	1,053,725
Exchange-traded funds	69,880	-
Total	<u>\$ 2,126,266</u>	<u>\$ 1,717,615</u>

Investments are presented on the statement of financial position as follows:

	2020	2019
Investments - Current	\$ 593,696	\$ 353,979
Investments - Long term	1,532,570	1,363,636
Total	<u>\$ 2,126,266</u>	<u>\$ 1,717,615</u>

**Note 5 - Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Association's assets measured at fair value on a recurring basis at September 30, 2020 and 2019 and the valuation techniques used by the Association to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Association has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Association's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

September 30, 2020 and 2019

**Note 5 - Fair Value Measurements (Continued)**

Assets Measured at Fair Value on a Recurring Basis at September 30, 2020				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds - Equities	\$ 161,260	\$ -	\$ -	\$ 161,260
Mutual funds - Bonds	49,284	-	-	49,284
U.S. Treasuries	-	498,725	-	498,725
Corporate bonds	-	1,347,117	-	1,347,117
Exchange-traded funds	69,880	-	-	69,880
Total investments	\$ 280,424	\$ 1,845,842	\$ -	\$ 2,126,266

  

Assets Measured at Fair Value on a Recurring Basis at September 30, 2019				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds - Equities	\$ 121,810	\$ -	\$ -	\$ 121,810
Mutual funds - Bonds	51,830	-	-	51,830
U.S. Treasuries	-	490,250	-	490,250
Corporate bonds	-	1,053,725	-	1,053,725
Total investments	\$ 173,640	\$ 1,543,975	\$ -	\$ 1,717,615

**Note 6 - Property and Equipment**

Property and equipment are summarized as follows:

	2020	2019
Furniture and fixtures	\$ 30,716	\$ 30,716
Computer equipment and software	250,320	250,320
Leasehold improvements	387,524	387,524
Total cost	668,560	668,560
Accumulated depreciation	668,560	668,560
Net property and equipment	\$ -	\$ -

Depreciation expense totaled \$0 and \$2,961 for the years ended September 30, 2020 and 2019, respectively.

**Note 7 - Net Assets**

Net assets without donor restrictions consist of the following as of September 30:

	2020	2019
Board-designated net assets:		
Emergency reserve fund	\$ -	\$ 195,878
Computer reserve funds	-	64,589
Endowment fund	104,155	80,158
Total	\$ 104,155	\$ 340,625

September 30, 2020 and 2019

**Note 7 - Net Assets (Continued)**

Net assets with donor restrictions as of September 30 are available for the following purposes:

	2020	2019
Subject to expenditures for a specified purpose:		
Scholarship fund	\$ 111,693	\$ 93,552
Global Environmental Health Fund	-	2,600
Student fund	100	2,722
Total	\$ 111,793	\$ 98,874

**Note 8 - Investment in Endowments**

Board-designated endowments are funds without donor restrictions designated by the board to function as endowments.

The Association established a board-designated quasi-endowment fund. Moneys contributed to the fund, plus interest earned, totaled \$104,155 and \$80,158 as of September 30, 2020 and 2019, respectively. Contributions to this fund are without donor restrictions. Principal and income earned on the investments are to be used upon approval by the board. As the endowment is not significant to the Association's financial statements as a whole, management has elected not to include certain disclosures normally required by generally accepted accounting principles.

**Note 9 - Paycheck Protection Program**

During the year ended September 30, 2020, the Association received \$616,763 through the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under ASC 958-605, the Association has elected to account for these funds as a conditional contribution. During the year ended September 30, 2020, the Association has overcome all measurable barriers for forgiveness of the loan and, therefore, has recognized the funds received as a contribution on the statement of activities and changes in net assets.

**Note 10 - Retirement Plans**

The Association has a retirement plan (the "Retirement Plan") under Internal Revenue Code Section 403(b). Employees are eligible to participate in the Retirement Plan on their first day of employment. Employees are eligible for nonelective contributions or matching contributions after 60 consecutive days of service. The Retirement Plan allows employees to defer a discretionary amount of their salaries, not to exceed a defined limit, to the Retirement Plan. The Retirement Plan provides for the Association to make a discretionary matching contribution. Contributions to the Retirement Plan totaled \$153,034 and \$139,915 for the years ended September 30, 2020 and 2019, respectively.

**Note 11 - Operating Leases**

The Association leases its facilities under a noncancelable operating lease. The current lease expires in July 2021. Total rent expense under these leases was \$245,141 and \$244,627 for 2020 and 2019, respectively.

Future minimum annual commitments under these operating leases are as follows:

Year Ending September 30	Amount
2021	\$ 211,440



**Note 12 - Government Grants**

The Association received certain grant revenue from various governmental agencies. The disbursement of funds received under these grants generally requires compliance with terms and conditions specified in the grants and is subject to audit by the granting agencies. The amount of charges to these grants that may be disallowed, if any, by such audits cannot presently be determined, and no provision for any liability that may result has been made in the accompanying financial statements. However, management believes that all necessary adjustments to the financial statements have been recorded to be in compliance with its grant requirements.