

Arizona Public Health Association Compiled Financial Statements

Year Ended June 30, 2021

(with comparative totals for the year ended June 30, 2020)

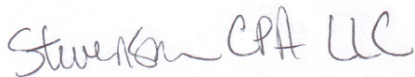
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Will Humble and the Board of Directors of
Arizona Public Health Association
700 East Jefferson Street Suite 100
Phoenix, AZ 85034

Management is responsible for the accompanying financial statements of Arizona Public Health Association (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2020 and 2021 and the related Statement of Activities, Cash Flows, and Functional Expenses for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

We are not independent with respect to Arizona Public Health Association.



Phoenix, Arizona
September 17, 2021

Arizona Public Health Association
Statement of Financial Position
As of June 30, 2021
(with comparative totals as of June 30, 2020)

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 224,980	\$ 195,011
Receivables	2,500	-
Short-term investments	50,961	50,768
Total current assets	278,441	245,779
Total assets	278,441	245,779
Liabilities and net assets		
Current liabilities		
Accounts payable	2,216	2,447
Payroll liabilities	545	453
Deferred revenue	1,325	-
Total current liabilities	4,086	2,900
Net assets		
With donor restrictions	4,000	10,000
Without donor restrictions	270,355	231,452
Without donor restrictions - board designated	-	1,427
Total net assets	274,355	242,879
Total liabilities and net assets	\$ 278,441	\$ 245,779

See Accountant's Compilation Report.

Arizona Public Health Association
Statement of Activities
For the Year Ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Dues	\$ 69,550	\$ -	\$ 69,550	\$ 72,550
Grants	25,000	-	25,000	5,900
Donations	8,396	-	8,396	2,440
Conference event	17,800	4,000	21,800	67,046
Other income	1,239	-	1,239	3,134
Net assets released from restrictions	10,000	(10,000)	-	-
Total support and revenue	131,985	(6,000)	125,985	151,070
Expenses				
Program	57,166	-	57,166	87,497
Administrative	34,250	-	34,250	29,110
Fundraising	3,093	-	3,093	5,695
Total expenses	94,509	-	94,509	122,302
Change in net assets	37,476	(6,000)	31,476	28,768
Net assets, beginning of year	232,879	10,000	242,879	214,111
Net assets, end of year	\$ 270,355	\$ 4,000	\$ 274,355	\$ 242,879

See Accountant's Compilation Report.

Arizona Public Health Association
Statement of Cash Flows
For the Year Ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	2021	2020
Cash flows from operating activities		
Net income	\$ 31,476	\$ 28,768
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Receivables (increase) decrease	(2,500)	2,500
Short-term investments (increase)	(193)	(50,768)
Accounts payable (decrease) increase	(231)	1,483
Payroll liability increase	92	453
Deferred revenue increase	1,325	-
Net cash provided by operating (used for) activities	29,969	(17,564)
Net change in cash and cash equivalents	29,969	(17,564)
Cash and cash equivalents		
Beginning of year	195,011	212,575
End of year	\$ 224,980	\$ 195,011

Supplemental disclosure of cash flow information

No amounts were paid for interest or taxes during the years ended June 30, 2021 and June 30, 2020.

See Accountant's Compilation Report.

Arizona Public Health Association
Statement of Functional Expenses
For the Year Ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	<u>Program Cost</u>	<u>Administrative Cost</u>	<u>Fundraising Cost</u>	<u>2021 Total</u>	<u>2020 Total</u>
Salaries	\$ 37,069	\$ 17,109	\$ 2,852	\$ 57,030	\$ 52,900
Payroll taxes	2,836	1,309	218	4,363	4,047
Total payroll and related	<u>39,905</u>	<u>18,418</u>	<u>3,070</u>	<u>61,393</u>	<u>56,947</u>
Awards and scholarships	-	-	-	-	1,635
Conference event	-	-	-	-	28,965
Consultants and professional services	3,925	9,590	-	13,515	10,260
Copying and printing	-	200	-	200	1,118
Dues and subscriptions	5,328	3,332	-	8,660	7,810
Equipment	303	342	23	668	-
Fees	3,715	24	-	3,739	3,783
Insurance	1,375	833	-	2,208	2,388
Occupancy	738	1,438	-	2,176	7,409
Supplies	452	73	-	525	-
Travel and meeting	1,425	-	-	1,425	1,987
Total expenses	<u>\$ 57,166</u>	<u>\$ 34,250</u>	<u>\$ 3,093</u>	<u>\$ 94,509</u>	<u>\$ 122,302</u>

See Accountant's Compilation Report.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Arizona Public Health Association (the “Organization”) is a nonprofit membership organization that has been operating since 1928. Their members include health care professionals, state and county health employees, health educators, community advocates, doctors, nurses, students and faculty, and anyone who is interested in public health issues.

Each year, the Organization hosts two major conferences in Phoenix - one in the spring and one in the fall. The Organization hosts many other workshops throughout the year.

Mission Statement - A nonprofit, professional organization working to improve the level of health and well-being for all Arizonans through advocacy, professional development and networking.

Vision Statement - Healthy Communities for Arizona.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with our compiled financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

Arizona Public Health Association considers all cash and highly liquid investments with an initial maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes are excluded from this definition.

Receivables

The organization’s receivables at year end June 30, 2021 was \$2,500 and consisted of a sponsorship commitment for the upcoming fall 2021 conference. The allowance for uncollectable receivables is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At June 30, 2021, all amounts are considered fully collectible, and as such, management has not established an allowance for uncollectable accounts. There were no outstanding receivables at year end June 30, 2020.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

Short-Term Investments

Short-term investments consist of certificates of deposit with original maturities of greater than three months and remaining maturities of less than one year. Short-term investments are recorded at cost plus accrued interest.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

Revenue is recognized when earned. Donations are recognized when cash, securities or other assets, unconditional promises to give, or notifications of a beneficial interest are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis on the Statement of Activities. The Statement of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs, administration and fundraising based on management's estimates of indirect overhead costs. Expenses that are attributed to more than one program or supporting function have been allocated among the various functions using a reasonable basis that is consistently applied, as follows:

- Salaries and payroll taxes are allocated on estimates of time and effort.
- Occupancy is allocated on a square footage basis dependent on the programs' and supporting activities' use of the space.
- Insurance and equipment are allocated based on management's estimate.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Tax Status

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described, in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax, Form 990, with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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 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, and those differences could be material.

Credit Risk

Management manages deposit concentration risk by placing cash and certificates of deposit in reputable, federally insured financial institutions. The FDIC insures deposits up to \$250,000. Deposit balances are fully insured by the FDIC. To date, no losses have been experienced in any of these accounts.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (cont.)

Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated statement of activities. The standard is effective for the Institute for the year ending June 30, 2022.

In June 2021, the FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for the Institute for the year ending June 30, 2022.

Subsequent Events

Subsequent events have been evaluated by management through September 17, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – COVID-19 PANDEMIC IMPACT

Arizona Public Health Association relinquished its office lease during the pandemic due to physical distancing requirements and the executive director now works remotely and will continue to do so. This transition also helped to mitigate unnecessary expenses. The organization typically holds a spring and fall conference; however, during the year ended June 30, 2021, only held one conference, which was adapted to a virtual platform.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 224,980
Total	\$ <u>224,980</u>

NOTE 4 – LINE OF CREDIT

The Organization has a credit card with a credit line of \$40,000. At year end 2021 and 2020, the credit card balance was \$477 and \$349, respectively, activity from which is reflected in expenses and in accounts payable balance at year end.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 5 – PAYMENTS TO AFFILIATES

The Organization is an affiliate member of American Public Health Association. The payments made to American Public Health Association for the years 2021 and 2020 were \$1,119 and \$1,260, respectively.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	2021	2020
Subject to expenditure for specified purpose:		
Fall Conference	\$ 6,000	\$ 10,000
Total net assets with donor restrictions	\$ 6,000	\$ 10,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended June 30:

	2021	2020
Subject to expenditure for specified purpose:		
Fall Conference	\$ (10,000)	\$ -
Total net assets with donor restrictions	\$ (10,000)	\$ -

NOTE 7 – NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Per Board designation, the following assets are available for the following purposes.

	2021	2020
CUP	\$ -	\$ 660
Cohen	-	579
March of Dimes	-	188
Total	\$ -	\$ 1,427

For the year ended June 30, 2020, overhead fee of 5.3% was assessed annually to these funds and the designation was reduced accordingly. For the year ended June 30, 2021, the board determined this designation was no longer necessary and voted to release the designated funds.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2021**

NOTE 8 – CONCENTRATIONS OF REVENUE

The Organization’s major sources of revenue are from annual membership dues (from individuals and organizations), registrations (to attend conferences and workshops) and sponsorships (corporate support of the conferences and programs of the organization).

	<u>2021</u>	<u>2020</u>
Dues	54%	48%
Grants	20%	4%
Conference Event	17%	44%
Donations	8%	2%
Other	1%	2%
Total	<u><u>100%</u></u>	<u><u>100%</u></u>