

Arizona Public Health Association Compiled Financial Statements

Year Ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

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To the Board of Directors
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, 2023 and 2022 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 the 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.

Stevenson CPA LLC

Phoenix, Arizona
September 1, 2023

Arizona Public Health Association
Statement of Financial Position
As of June 30, 2023
(with comparative totals as of June 30, 2022)

	2023	2022
Assets		
Current assets		
Cash & cash equivalents	\$ 149,067	\$ 330,093
Contributions receivable	5,000	-
Short-term investments	301,381	51,115
Prepaid expenses	5,500	-
Total current assets	460,948	381,208
Total assets	460,948	381,208
Liabilities & net assets		
Current liabilities		
Accounts payable	7,388	601
Payroll liabilities	605	618
Total current liabilities	7,993	1,219
Total liabilities	7,993	1,219
Net assets		
With donor restrictions	12,000	18,000
Without donor restrictions	440,955	361,989
Total net assets	452,955	379,989
Total liabilities & net assets	\$ 460,948	\$ 381,208

See Accountants' Compilation Report.

Arizona Public Health Association
Statement of Activities
For the Year Ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Conference event	\$ 99,325	\$ -	\$ 99,325	\$ 47,365
Dues	71,925	-	71,925	74,040
Corporate & foundation contributions	20,750	20,000	40,750	59,150
Other income	11,701	-	11,701	3,381
Bequests	1,652	-	1,652	50,000
Individual contributions	109	-	109	8,116
Net assets released from restrictions	26,000	(26,000)	-	-
Total support and revenue	231,462	(6,000)	225,462	242,052
Expenses				
Program	109,905	-	109,905	93,295
Management & General	38,058	-	38,058	38,529
Fundraising	4,533	-	4,533	4,594
Total expenses	152,496	-	152,496	136,418
Change in net assets	78,966	(6,000)	72,966	105,634
Net assets, beginning of year	361,989	18,000	379,989	274,355
Net assets, end of year	\$ 440,955	\$ 12,000	\$ 452,955	\$ 379,989

See Accountants' Compilation Report.

**Arizona Public Health Association
Statement of Functional Expenses
For the Year Ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)**

	2023			2022	
	Program	Management & General	Fundraising	Total	Total
Salaries	\$ 44,727	\$ 15,125	\$ 2,521	\$ 62,373	\$ 64,392
Payroll taxes	3,226	1,308	238	4,772	4,926
Total payroll & related	<u>47,953</u>	<u>16,433</u>	<u>2,759</u>	<u>67,145</u>	<u>69,318</u>
Accounting	-	9,513	-	9,513	9,470
Awards	6,052	-	-	6,052	928
Scholarships	1,660	-	-	1,660	500
Conference event	40,303	-	-	40,303	25,633
Consultants & professional services	903	4,707	685	6,295	12,100
Copying & printing	3,283	-	-	3,283	787
Donations	-	500	-	500	500
Dues & subscriptions	862	5,720	977	7,559	7,037
Equipment	-	-	-	-	1,283
Fees	2,929	175	-	3,104	3,751
Insurance	1,761	557	112	2,430	2,229
Payments to affiliates	-	2,311	-	2,311	-
Supplies	-	131	-	131	2,560
Travel	1,888	322	-	2,210	322
Total expenses	<u>\$ 107,594</u>	<u>\$ 40,369</u>	<u>\$ 4,533</u>	<u>\$ 152,496</u>	<u>\$ 136,418</u>

See Accountants' Compilation Report.

Arizona Public Health Association
Statement of Cash Flows
For the Year Ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Net income	\$ 72,966	\$ 105,634
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in contributions receivables	(5,000)	2,500
(Increase) in short-term investments	(250,266)	(154)
(Increase) in Prepaid expenses	(5,500)	-
Increase (decrease) in accounts payable	6,787	(1,615)
(Decrease) increase in payroll liabilities	(13)	73
(Decrease) in deferred revenue	-	(1,325)
Net cash (used for) provided by investing activities	(181,026)	105,113
Net change in cash and cash equivalents	(181,026)	105,113
Cash and cash equivalents		
Beginning of year	330,093	224,980
End of year	\$ 149,067	\$ 330,093

Supplemental disclosure of cash flow information

No amounts were paid for interest or taxes during the years ended June 30, 2023 and June 30, 2022.

See Accountants' Compilation Report.

**Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2023
(with summarized information for the year ended June 30, 2022)**

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, 2022, 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.

Contributions Receivable

The Organization’s contributions receivable at year end June 30, 2023 was \$5,000 and consisted of a grant from the American Public Health Association. 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, 2023, all amounts are considered fully collectible, and as such, management has not established an allowance for uncollectable accounts. The American Public Health Association is a related party to Arizona Public Health Association.

There were no outstanding receivables at year end June 30, 2022.

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.

See Accountants’ Compilation Report

Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2023
(with summarized information for the year ended June 30, 2022)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 – Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets from restrictions.

Revenue Recognition

The Organization's revenues are derived primarily from dues, grants, conference events, and contributions. Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, unconditional promises to give, or notifications of a beneficial interest are received. All contributions, pledges, and grants are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as with donor restriction thereby increasing that net asset class. 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, management and general 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.
- 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, 2023
(with summarized information for the year ended June 30, 2022)

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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 Organization for the year ended June 30, 2023.

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 Organization for the year ended June 30, 2023.

Arizona Public Health Association
Notes to the Financial Statements
For the Year Ended June 30, 2023
(with summarized information for the year ended June 30, 2022)

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated by management through September 1, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – 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:

Financial assets:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 149,067	\$ 330,093
Certificates of deposit available upon maturity	301,381	51,115
Contributions receivable	5,000	-
Total financial assets	455,448	381,208
Less financial assets held to meet donor imposed purpose restrictions (Note 5)	12,000	18,000
Total amount available for general expenditures within one year	\$ <u>443,448</u>	\$ <u>363,208</u>

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are estimated to be collected as follows at June 30:

	<u>2023</u>	<u>2022</u>
Within one year	\$ 5,000	\$ -
In one to five years	-	-
Over five years	-	-
Total	\$ <u>5,000</u>	\$ <u>-</u>

One grantor accounted for 100% of total contributions receivable, at June 30, 2023. There were no restrictions on the contributions receivable balance at either the year ended June 30, 2023 nor 2022.

NOTE 4 – LINE OF CREDIT

The Organization has a credit card with a credit line of \$40,000. At the year ended June 30, 2023 and 2022, the credit card balance was \$6,833 and \$581, 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, 2023
(with summarized information for the year ended June 30, 2022)

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Clean Energy	\$ 12,000	\$ 18,000
Total net assets with donor restrictions	\$ 12,000	\$ 18,000

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Clean Energy	\$ 18,000	\$ -
Fall Conference	-	4,000
Total net assets with donor restrictions	\$ 18,000	\$ 4,000

Amounts received and released by satisfying donor purpose restrictions in the current year are reported in without donor restrictions and totaled \$8,000 and \$12,000 during the years ended June 30, 2023 and 2022, respectively.

NOTE 6 – 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>2023</u>	<u>2022</u>
Conference event	44%	20%
Dues	32%	31%
Corporate & foundation contributions	18%	24%
Other	5%	1%
Individual contributions	1%	24%
Total	100%	100%

NOTE 7 – PAYMENTS TO AND SUPPORT FORM AFFILIATES

The Organization is an affiliate member of American Public Health Association. The payments made to American Public Health Association for the years ended June 30, 2023 and 2022 were \$2,311 and \$0, respectively. At the year ended June 30, 2023, \$5,000 contributions receivable is due from the American Public Health Association.