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# Academy of Nutrition and Dietetics

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**Consolidated Financial Report  
with Additional Information  
May 31, 2018**

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## Independent Auditor's Report

To the Board of Directors  
Academy of Nutrition and Dietetics

We have audited the accompanying consolidated financial statements of Academy of Nutrition and Dietetics, which comprise the consolidated statements of financial position as of May 31, 2018 and 2017 and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Academy of Nutrition and Dietetics as of May 31, 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.

*Plante & Moran, PLLC*

September 25, 2018

**Academy of Nutrition and Dietetics**  
**Consolidated Statements of Financial Position**  
**May 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash Equivalents	\$ 8,494,099	\$ 8,837,919
Investments	55,082,265	51,254,340
Interest Receivable	191,992	177,575
Accounts Receivable, Net	1,202,371	1,016,203
Pledges Receivable, Net	500,732	347,672
Prepaid Expenses	1,564,804	1,869,731
Inventories, Net	1,149,499	1,089,628
Property and Equipment, Net	5,828,701	6,470,835
Investments Held for Deferred Compensation	629,736	617,382
<b>Total Assets</b>	<b><u>\$ 74,644,199</u></b>	<b><u>\$ 71,681,285</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts Payable	\$ 1,116,621	\$ 1,243,990
Accrued Liabilities	1,508,847	1,479,672
Due to State Associations	3,207,641	3,070,494
Deferred Revenue:		
Membership Dues	7,693,673	7,664,816
Registration Fees	3,865,989	3,721,923
Subscriptions	2,520,242	2,522,334
Annual Meeting	1,724,875	1,884,368
Sponsorships	363,781	214,052
Other	1,540,025	1,457,729
	<u>17,708,585</u>	<u>17,465,222</u>
Deferred Compensation	629,736	617,382
Deferred Rent Incentive	1,309,891	1,322,007
Term Note Payable	1,510,419	2,500,000
	<u>3,450,046</u>	<u>4,439,389</u>
<b>Total Liabilities</b>	<b><u>26,991,740</u></b>	<b><u>27,698,767</u></b>
Net Assets		
Unrestricted		
Academy of Nutrition and Dietetics		
Operations	2,163,262	1,693,214
Internally Designated for		
Commission on Dietetic Registration	8,870,248	8,598,538
Specialty Groups	7,919,627	7,586,861
Accreditation Council for Education in		
Nutrition and Dietetics	1,883,224	1,577,954
Academy of Nutrition and Dietetics Foundation	9,642,964	8,469,237
ANDPAC	209,869	234,696
	<u>30,689,194</u>	<u>28,160,500</u>
Temporarily Restricted	8,021,637	7,126,897
Permanently Restricted	8,941,628	8,695,121
<b>Total Net Assets</b>	<b><u>47,652,459</u></b>	<b><u>43,982,518</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 74,644,199</u></b>	<b><u>\$ 71,681,285</u></b>

# Academy of Nutrition and Dietetics

Consolidated Statements of Activities  
Years Ended May 31, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues:</b>								
Administration	\$ 55,959	\$ -		\$ 55,959	\$ 50,455	\$ -	\$ -	\$ 50,455
Member Services	17,875,130	-		17,875,130	17,822,546	-	-	17,822,546
Governance	43,153	-		43,153	37,506	-	-	37,506
Consumer Education	1,043,530	257,550		1,301,080	855,779	73,775	-	929,554
Professional Affairs	2,788,974	66,446	246,507	3,101,927	2,687,573	560,227	113,688	3,361,488
External Affairs	6,570,438	864,743		7,435,181	5,019,876	764,154	-	5,784,030
Policy Initiatives and Advocacy	187,824	-		187,824	158,074	-	-	158,074
Commission on Dietetic Registration	9,303,010	-		9,303,010	8,937,299	-	-	8,937,299
Release of Net Assets Arising from Satisfaction of Restrictions	2,298,449	(2,298,449)		-	1,904,439	(1,904,439)	-	-
<b>Total Revenues</b>	<b>40,166,467</b>	<b>(1,109,710)</b>	<b>246,507</b>	<b>39,303,264</b>	<b>37,473,547</b>	<b>(506,283)</b>	<b>113,688</b>	<b>37,080,952</b>
<b>Expenses:</b>								
Administration	3,993,136	-	-	3,993,136	3,939,271	-	-	3,939,271
Member Services	9,807,294	-	-	9,807,294	9,961,794	-	-	9,961,794
Governance	1,861,640	-	-	1,861,640	1,722,012	-	-	1,722,012
Consumer Education	1,363,821	-	-	1,363,821	1,387,750	-	-	1,387,750
Professional Affairs	4,456,352	-	-	4,456,352	3,749,093	-	-	3,749,093
External Affairs	8,774,179	-	-	8,774,179	8,340,715	-	-	8,340,715
Policy Initiatives and Advocacy	1,903,993	-	-	1,903,993	1,957,049	-	-	1,957,049
Commission on Dietetic Registration	9,305,298	-	-	9,305,298	8,899,366	-	-	8,899,366
<b>Total Expenses</b>	<b>41,465,713</b>	<b>-</b>	<b>-</b>	<b>41,465,713</b>	<b>39,957,050</b>	<b>-</b>	<b>-</b>	<b>39,957,050</b>
<b>(Decrease) Increase in Net Assets from Operating Activities before Return on Investments</b>	<b>(1,299,246)</b>	<b>(1,109,710)</b>	<b>246,507</b>	<b>(2,162,449)</b>	<b>(2,483,503)</b>	<b>(506,283)</b>	<b>113,688</b>	<b>(2,876,098)</b>
<b>Return on Investments</b>	<b>3,827,940</b>	<b>2,004,450</b>	<b>-</b>	<b>5,832,390</b>	<b>3,517,338</b>	<b>1,433,474</b>	<b>-</b>	<b>4,950,812</b>
<b>Increase in Net Assets</b>	<b>2,528,694</b>	<b>894,740</b>	<b>246,507</b>	<b>3,669,941</b>	<b>1,033,835</b>	<b>927,191</b>	<b>113,688</b>	<b>2,074,714</b>
<b>Net Assets</b>								
Beginning of year	28,160,500	7,126,897	8,695,121	43,982,518	27,126,665	6,199,706	8,581,433	41,907,804
End of year	<b>\$ 30,689,194</b>	<b>\$ 8,021,637</b>	<b>\$ 8,941,628</b>	<b>\$ 47,652,459</b>	<b>\$ 28,160,500</b>	<b>\$ 7,126,897</b>	<b>\$ 8,695,121</b>	<b>\$ 43,982,518</b>

The Accompanying Notes are an Integral Part  
of the Consolidated Financial Statements.

**Academy of Nutrition and Dietetics**  
**Consolidated Statements of Cash Flows**  
**Years Ended May 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 3,669,941	\$ 2,074,714
Net realized and change in unrealized gains	(4,726,167)	(3,852,942)
Gain on reduction of deferred rent liability	-	(729,805)
Depreciation and amortization	1,740,411	1,738,321
Contributions restricted for long-term purposes	(246,507)	(113,688)
Changes in:		
Interest receivable	(14,417)	29,376
Accounts/pledges receivable	(339,228)	(193,059)
Prepaid expenses	304,926	(263,394)
Inventories	(59,871)	(44,316)
Investments held for deferred compensation	(12,354)	(59,696)
Accounts payable	(127,369)	(76,744)
Accrued liabilities	29,176	(180,349)
Due to state associations	137,147	70,183
Deferred revenue and other deferred items	243,601	227,909
Net Cash Provided by (Used in) Operating Activities	<u>599,289</u>	<u>(1,373,490)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(1,098,277)	(3,651,476)
Purchases of investments	(9,965,135)	(4,475,391)
Proceeds from sales of investments	10,863,377	9,113,673
Net Cash (Used in) Provided by Investing Activities	<u>(200,035)</u>	<u>986,806</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt	-	2,500,000
Payments on long-term debt	(989,581)	-
Proceeds from contributions restricted for long-term purposes	246,507	113,688
Net Cash (Used In) Provided by Financing Activities	<u>(743,074)</u>	<u>2,613,688</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(343,820)</b>	<b>2,227,004</b>
<b>Cash and Cash Equivalents</b>		
Beginning of year	8,837,919	6,610,915
End of year	<u>\$ 8,494,099</u>	<u>\$ 8,837,919</u>

# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 1 - Nature of Activities and Significant Accounting Policies

Academy of Nutrition and Dietetics (the "Academy") is the world's largest organization of food and nutrition professionals with nearly 73,000 members in the United States and abroad. The Academy's mission is to accelerate improvements in global health and well-being through food and nutrition. The mission of Academy of Nutrition and Dietetics Foundation (the "Foundation") is to, through philanthropy, empower current and future food and nutrition practitioners to optimize global health. The Academy and the Foundation (collectively, the "Organization") are affiliated through common members, certain common board members and similar economic interests. Activities are conducted from the Organization's headquarters in Chicago, Illinois, with secondary offices in Washington, D.C.

The consolidated financial statements include the activities of the Academy and the Foundation. Interorganization accounts or transactions have been eliminated for consolidation purposes.

The Academy's consolidated financial statements are further comprised of the Commission on Dietetic Registration (CDR), Accreditation Council for Education in Nutrition and Dietetics (ACEND), Specialty Groups, which include Dietetic Practice Groups (DPGs) and Member Interest Groups (MIGs), Nutrition and Dietetic Educators and Preceptors (NDEP) and Academy of Nutrition and Dietetics Political Action Committee (ANDPAC). CDR is an administratively autonomous organization whose primary role is the credentialing of the Registered Dietitian Nutritionists and Dietetic Technicians, Registered. ACEND is an administratively autonomous organization whose primary function is the new and continuing accreditation of dietetic educational programs. DPGs/MIGs are dietetic specialty areas within the Academy. ANDPAC is the political action committee affiliated with the Academy. NDEP empowers educators to lead the profession of nutrition and dietetics.

**Classification of Net Assets** - For financial reporting purposes, the Organization classifies net assets and related activities as unrestricted, temporarily restricted and permanently restricted based on the existence or absence of donor-imposed restrictions, as follows:

Unrestricted net assets are available for support of the Organization's operations and are not subject to donor-imposed restrictions and consist of the following board-designated funds:

Academy Operations: Amount available for support of general Academy activities

Commission on Dietetic Registration: Funds available for activities associated with the registration of practicing dietitians and dietetic technicians

Specialty Groups: Funds available for support of activities associated with Dietetic Practice and Member Interest Groups which focus on specialty of practice and member interest

Accreditation Council for Education in Nutrition and Dietetics: Funds available for activities associated with the accreditation of dietetic educational programs

Academy of Nutrition and Dietetics Foundation: Funds identified at the discretion of the Foundation's Board of Directors to support scholarships and other activities

Academy of Nutrition and Dietetics Political Action Committee: Funds to support political activities

Nutrition and Dietetic Educators and Preceptors: Funds to support higher education for current and future professionals in Nutrition and Dietetics

Temporarily restricted net assets are subject to donor-imposed restrictions that may or will be met either by the Organization's actions or the passage of time. Temporarily restricted net assets are reclassified to unrestricted net assets when the restrictions are met or have expired. These reclassifications are reported in the consolidated statements of activities as "release of net assets arising from satisfaction of restrictions."

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

Permanently restricted net assets are subject to donor-imposed restrictions requiring that the contributed assets be invested and maintained permanently by the Organization. Earnings on investments of these endowment funds are included in temporarily restricted revenue and released to unrestricted revenue when appropriated for expenditure.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with maturities of three months or less at the date of acquisition to be cash and cash equivalents. The Organization places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Substantially all of the Organization's cash and cash equivalents are held with Chase Bank and Northern Trust. The Organization believes it is not exposed to any significant credit risk on cash.

Cash and cash equivalents are comprised of the following as of May 31:

	<u>2018</u>	<u>2017</u>
Cash deposits	\$ 3,434,316	\$ 3,600,812
Money market accounts	<u>5,059,783</u>	<u>5,237,107</u>
	<b><u>\$ 8,494,099</u></b>	<b><u>\$ 8,837,919</u></b>

**Investments** - The Organization's investments are carried at fair value. Changes in the fair value of securities are recorded as unrealized gains and losses. Investment income and a portion of cumulative net appreciation on investments are appropriated to support current activities (see Note 3).

The Organization's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term that could materially affect the amounts reported in the consolidated statements of financial position.

**Accounts Receivable** - Accounts receivable are due from institutional customers and individual members for items such as publications and contractual amounts due under grants and various licensing and royalty agreements. Accounts receivable are stated at the amount that management expects to collect from outstanding balances, which is net of an allowance for doubtful accounts of \$40,642 and \$42,100 as of May 31, 2018 and 2017, respectively. Management provides for probable uncollectible amounts through its assessment of the status of individual accounts.

**Pledges Receivable** - Pledges receivable are amounts due from foundation and individual donors in future periods. In most cases, the donor made an initial payment at the time of the pledge and will fulfill the pledge in one or more future payments. Pledges receivable that are expected to be collected within one year are recorded at fair value. Pledges receivable that are to be collected in future years are recorded at the present value of their estimated future fair value cash flows.



**Academy of Nutrition and Dietetics  
Notes to Consolidated Financial Statements  
May 31, 2018 and 2017**

**Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

**Inventories** - Inventories primarily consist of publications offered for sale, which are valued at the lower of average cost or net realizable value (NRV), with NRV based on selling prices in the ordinary course of business, less costs of completion, disposal, and transportation. Costs for certain publications under development are also included. A reserve for obsolescence is provided for excess quantities on hand. The reserve totaled \$74,365 and \$88,426 as of May 31, 2018 and 2017, respectively.

**Property and Equipment** - Property and equipment are recorded at cost. Computer software and certain website development costs are capitalized in accordance with U.S. GAAP ASC 350-40, *Accounting for Costs of Computer Software Developed or Obtained for Internal Use*. Furniture and equipment are being depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are being amortized on the straight-line basis over the shorter of the estimated lives of the improvements or the remaining term of the lease.

	<u>Years</u>
Furniture and fixtures	5
Computer equipment	3-5
Computer software	3-7
Leasehold improvements	10-14

**Deferred Revenue** - Membership dues and registration fees are recognized ratably over the membership year or registration term. CDR accepts payments for five-year registration fees, which are prorated and recognized over the five-year period. Subscription revenues are prorated over the subscription period. Annual meeting exhibition fees are deferred and revenue is recorded in the fiscal year in which the meeting is held. Sponsorship revenues are prorated over the life of the contract where appropriate.

**Rental and Expenses** - Base rentals due under the lease for the Organization’s headquarters, net of rental incentive received (or to be received), are recognized as rental expense on a ratable or straight-line basis over the lease term. The deferred rent liability, which includes rental incentives received in cash, will be amortized over the term of the lease as a reduction of rental expense.

**Revenue** - The consolidated financial statements reflect revenue on a functional basis. Member services revenue consists of membership dues, annual meetings, dues for dietetic practice groups, member interest groups and label sales. Membership dues are deferred and recognized over the membership periods. Meeting revenue is recognized when the meetings take place. Consumer education revenue consists primarily of grants/contracts and royalties for activities surrounding the media and marketing programs and is recognized when the marketing programs take place. Professional affairs revenue consists of accreditation fees, which are recognized over the applicable accreditation periods, and grants/donations to the Foundation. External affairs revenue consists primarily of revenue from publications and grants for research initiatives and is recognized when the publications are shipped and research initiatives take place. CDR revenue consists primarily of registration fees, which are recognized ratably over the registration term, and program fees, which are recognized when the programs take place.

**Affiliated State Association Membership Dues** - The Academy bills and collects membership dues annually from its members. A portion of these dues collected by the Academy is for the benefit of the affiliated state associations and is reflected as a liability until remitted to the state associations. The activities of the state associations are not consolidated with the Organization because they are independent.

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 1 - Nature of Activities and Significant Accounting Policies (Continued)**

**Contributions** - Contributions are reported at fair value when the contribution is received to the extent it is determined to be collectible. Contributions received with donor restrictions limiting the use of donated assets are reported either as temporarily or permanently restricted revenue. However, a temporarily restricted contribution is classified as unrestricted revenue if it is expended in the year it is received. Contributions totaling \$1,999,051 and \$2,456,221 for fiscal years 2018 and 2017, respectively, are included in the various revenue categories.

	<u>2018</u>	<u>2017</u>
Unrestricted	\$563,806	\$ 944,377
Temporarily Restricted	1,188,738	1,398,156
Permanently Restricted	<u>246,507</u>	<u>113,688</u>
Total	<u><b>\$ 1,999,051</b></u>	<u><b>\$ 2,456,221</b></u>

**Expenses** - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the functional categories. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount. Costs for program services and supporting services are summarized as follows:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 31,378,984	\$ 30,886,314
Supporting Services		
Management and General	9,120,613	8,067,504
Fundraising	244,595	262,886
Membership Development	<u>721,521</u>	<u>740,346</u>
	<u><b>\$ 41,465,713</b></u>	<u><b>\$ 39,957,050</b></u>

**Income Taxes** - The Academy and the Foundation are exempt from income taxes under Sections 501(c)(6) and 501(c)(3), respectively, of the Internal Revenue Code and applicable state law. However, income from certain activities not directly related to the Academy's tax-exempt purposes, such as advertising income, is subject to taxation as unrelated business income. The Academy incurred a liability resulting from unrelated business income activities of \$12,497 and \$9,997 during 2018 and 2017, respectively.

In addition, the Academy can be taxed under certain circumstances on membership dues revenue if the amount of lobbying activities exceeds the amount identified on the membership dues bill. This is specific to academy lobbying activities and is independent of the Academy Political Action Committee. Membership dues revenue is not used to directly support the Academy Political Action Committee. The Academy did not incur any tax liability during 2018 and 2017.

# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Endowment** - U.S. GAAP addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA was enacted in Illinois effective June 30, 2009. A key component of UPMIFA is a requirement to clarify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

**Advertising** - The Academy expenses advertising costs as they are incurred. Advertising costs totaling \$130,349 and \$96,702 for the fiscal years 2018 and 2017, respectively, are included in the consolidated statements of activities.

**Change in Accounting Principle** - As of June 1, 2017, the Academy adopted new guidance related to the measurement of inventories. Under the new guidance, inventories are measured at the lower of cost and net realizable value (NRV), with NRV based on selling prices in the ordinary course of business, less costs of completion, disposal, and transportation. In 2017 and previous years, inventories were measured at the lower of cost or market, with market value generally based on replacement costs, adjusted for other factors. Prior periods have not been restated.

**Upcoming Accounting Changes** - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 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 Organization's year ending May 31, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Organization is in the process of evaluating the impact of this standard, but it is anticipated that the contracts most likely to be impacted are those for which the Organization has multiple performance obligations. In addition, management is currently analyzing the disclosures that will be required with this pronouncement.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-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 consolidated statement of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the consolidated statement of financial position. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending May 31, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Organization's consolidated financial statements as a result of the leases for office space and equipment classified as operating leases. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined.

# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

In August 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Organization's year ending May 31, 2019 and must be applied on a retrospective basis. The Organization expects there to be a change in net asset descriptions, enhanced disclosures related to liquidity and availability of resources, and changes to the functional allocation of expenses.

**Use of Estimates** - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** - The Organization has evaluated subsequent events through September 25, 2018, which is the date the consolidated financial statements were available to be issued.

#### Note 2 - 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 Organization's assets measured at fair value on a recurring basis at May 31, 2018 and 2017 and the valuation techniques used by the Organization to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization 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.

The Organization estimates the fair value of the government agencies - mortgage-backed fixed-income securities, municipal issues fixed-income securities, and the high-yield, inflation-linked and international developed fixed-income securities based upon similar investments that are traded on the secondary market.

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.

The Organization currently utilizes no Level 3 inputs.

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 2 - Fair Value Measurements (Continued)**

In instances whereby 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 Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Description	Fair Values as of May 31, 2018	Recurring Fair Value Measurements as of Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Marketable Equity Securities				
Large Cap Common Stocks	\$ 38,189,248	\$ 38,189,248	\$ -	\$ -
Mid Cap	2,380,226	2,380,226	-	-
Small Cap	110,635	110,635	-	-
International Developed	352,460	352,460	-	-
International Emerging	437,797	437,797	-	-
Fixed-income Securities				
Corporate	7,838,771	7,838,771	-	-
Government Agencies - Mortgage-backed	4,043,494	-	4,043,494	-
Municipal Issues	514,907	-	514,907	-
Inflation-linked	419,166	-	419,166	-
International Developed	795,561	-	795,561	-
Total Investments	55,082,265	49,309,137	5,773,128	-
Investments Held for Deferred Compensation:				
Equity Funds	629,736	629,736	-	-
	<b>\$ 55,712,001</b>	<b>\$ 49,938,873</b>	<b>\$ 5,773,128</b>	<b>\$ -</b>

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 2 - Fair Value Measurements (Continued)**

Description	Fair Values as of May 31, 2017	Recurring Fair Value Measurements as of Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Marketable Equity Securities				
Large Cap Common Stocks	\$ 33,213,788	\$ 33,213,788	\$ -	\$ -
Mid Cap	3,043,616	3,043,616	-	-
Small Cap	100,743	100,743	-	-
International Developed	1,339,657	1,339,657	-	-
International Emerging	102,788	102,788	-	-
Fixed-income Securities				
Corporate	8,913,003	8,913,003	-	-
Government Agencies - Mortgage-backed	1,696,835	-	1,696,835	-
Municipal Issues	615,142	-	615,142	-
High-yield	281,922	-	281,922	-
Inflation-linked	422,035	-	422,035	-
International Developed	1,524,811	-	1,524,811	-
Total Investments	51,254,340	46,713,595	4,540,745	-
Investments Held for Deferred Compensation:				
Equity Funds	617,382	617,382	-	-
	<b>\$ 51,871,722</b>	<b>\$ 47,330,977</b>	<b>\$ 4,540,745</b>	<b>\$ -</b>

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 3 - Investments**

The following schedule summarizes the investment return and its classification by net asset class in the consolidated statements of activities:

	2018		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Total Return on Investments:			
Dividends and Interest	\$ 711,219	\$ 422,142	\$ 1,133,361
Net Realized and Unrealized Gain	<u>3,116,721</u>	<u>1,582,308</u>	<u>4,699,029</u>
	<b><u>\$ 3,827,940</u></b>	<b><u>\$ 2,004,450</u></b>	<b><u>\$ 5,832,390</u></b>
	2017		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Total Return on Investments:			
Dividends and Interest	\$ 725,266	\$ 372,604	\$ 1,097,870
Net Realized and Unrealized Gain	<u>2,792,072</u>	<u>1,060,870</u>	<u>3,852,942</u>
	<b><u>\$ 3,517,338</u></b>	<b><u>\$ 1,433,474</u></b>	<b><u>\$ 4,950,812</u></b>

Included in administration expenses are investment management fees totaling \$312,870 and \$256,832 for fiscal years 2018 and 2017, respectively.

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 3 - Investments (Continued)**

	2018		
	Unrestricted	Temporarily Restricted	Total
Budgeted return on investments (unaudited)	\$ 2,089,700	\$ 1,290,800	\$ 3,380,500
Returns in excess of amount budgeted for return on investments	<u>1,738,240</u>	<u>713,650</u>	<u>2,451,890</u>
Total return on investments	<u><b>\$ 3,827,940</b></u>	<u><b>\$ 2,004,450</b></u>	<u><b>\$ 5,832,390</b></u>
	2017		
	Unrestricted	Temporarily Restricted	Total
Budgeted return on investments (unaudited)	\$ 2,253,004	\$ 1,132,700	\$ 3,385,704
Returns in excess of amount budgeted for return on investments	<u>1,264,334</u>	<u>300,774</u>	<u>1,565,108</u>
Total return on investments	<u><b>\$ 3,517,338</b></u>	<u><b>\$ 1,433,474</b></u>	<u><b>\$ 4,950,812</b></u>

**Note 4 - Property and Equipment**

Property and equipment as of May 31, 2018 and 2017 consisted of:

	2018	2017
Furniture and fixtures	\$ 565,897	\$ 537,889
Computer equipment	867,486	837,508
Computer software and and website development	5,876,408	6,694,373
Leasehold improvements	<u>2,502,967</u>	<u>2,500,157</u>
	9,812,758	10,569,927
Accumulated depreciation	(4,005,156)	(4,299,092)
Construction in progress	<u>21,099</u>	<u>200,000</u>
	<u><b>\$ 5,828,701</b></u>	<u><b>\$ 6,470,835</b></u>

Depreciation expense was \$1,740,411 for 2018 and \$1,738,321 for 2017.



# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 5 - Accrued Liabilities

The details of accrued liabilities are given below:

	2018	2017
Compensation	\$ 626,196	\$ 644,055
Vacation	500,909	482,668
Other	381,742	352,949
	<u>\$ 1,508,847</u>	<u>\$ 1,479,672</u>

#### Note 6 - Line of Credit

Under an unsecured line of credit agreement with a bank entered into in December 2014, the Academy has maximum available borrowings of approximately \$2,000,000. This line of credit matured on December 31, 2017. At this time, the Academy renewed the line of credit, extending the maturity date until December 31, 2018. The Academy had no outstanding drawings as of May 31, 2018 and 2017. Interest is payable monthly at LIBOR plus 2.0 percent under the old agreement and LIBOR plus 1.0 percent under the new agreement (an effective rate of 1.95 and 3.01 percent at May 31, 2018 and 2017, respectively). Interest expense was \$26,174 and \$0 for the years ended May 31, 2018 and 2017, respectively.

#### Note 7 - Term Note Payable

On July 14, 2016, the Organization entered into an unsecured term note agreement with JPMorgan Chase Bank to borrow up to \$2,500,000 to fund the relocation of its headquarters in Chicago, Illinois. On November 3, 2017, the Organization signed an amendment to the unsecured term note switching to a monthly payment schedule. As of May 31, 2018 and 2017, \$1,510,419 and \$2,500,000 was borrowed and outstanding, respectively. The term note matures on December 31, 2020. The effective interest rate was 2.96 and 2.63 percent at May 31, 2018 and 2017, respectively. Under the agreement, the Organization is subject to various financial covenants. Interest expense was \$59,354 and \$58,728 for the years ended May 31, 2018 and 2017, respectively. The balance of the above debt matures as follows:

2019	\$ 624,996
2020	624,996
2021	260,427
	<u>\$ 1,510,419</u>

#### Note 8 - Nonqualified Deferred Compensation Plans

The deferred compensation liability of \$629,736 and \$617,382 as of May 31, 2018 and 2017, respectively, consists of balances due under two unqualified plans. The Organization maintains assets of an equivalent amount in participant-directed investment accounts as a means of funding the liability. The assets are included in investments held for deferred compensation and are subject to the claims of creditors (see Note 2).

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 8 - Nonqualified Deferred Compensation Plans (Continued)**

The first nonqualified deferred compensation plan was amended and participation was frozen in 1997. A liability for this plan totaling \$422,416 and \$427,915 as of May 31, 2018 and 2017, respectively, will remain on the Organization's consolidated financial statements until the participants withdraw the funds from their accounts and consists of deferred compensation plus or minus investment earnings or loss. The ING Company serves as the plan's third-party administrator and investment provider.

The Organization established a separate deferred compensation plan for the Academy's current chief executive officer effective in 2011. Amounts under this plan totaling \$207,321 and \$189,467 as of May 31, 2018 and 2017, respectively, are funded by the Academy and can be withdrawn upon retirement or termination. Segall, Bryant and Hamill serves as the third-party administrator and investment advisor for this plan. The assets are held in trust at Charles Schwab.

**Note 9 - Temporarily Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes:

	<u>2018</u>	<u>2017</u>
Research Grants (21st Century Club)	\$ 1,539,649	\$ 1,284,348
Public Education Program	1,580,365	1,250,294
Scholarships and Awards	<u>4,901,623</u>	<u>4,592,255</u>
	<b><u>\$ 8,021,637</u></b>	<b><u>\$ 7,126,897</u></b>

As of May 31, 2018 and 2017, pledges receivable totaling \$25,363 and \$31,213 respectively, were included in the 21st Century Club category. As of May 31, 2018 and 2017, pledges receivable totaling \$9,773 and \$10,327, respectively, were included in the Scholarships and Awards category. As of May 31, 2018 and 2017, pledges receivable totaling \$465,597 and \$306,132 respectively, were included in Public Education Program category.

**Note 10 - Permanently Restricted Net Assets**

Permanently restricted net assets are required to be invested in perpetuity, the income from which is expendable to support the following programs:

	<u>2018</u>	<u>2017</u>
Research Grants (21st Century Club)	\$ 1,835,513	\$ 1,833,863
Scholarships and Awards	<u>7,106,115</u>	<u>6,861,258</u>
	<b><u>\$ 8,941,628</u></b>	<b><u>\$ 8,695,121</u></b>

# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 11 - Endowment

##### Endowment

The Organization's endowment consists of individual funds established to fund scholarships, grants and awards to dietetics students in accredited educational institutions. Its endowment includes temporarily and permanently donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existences or absences of donor-imposed restrictions.

##### Interpretation of Relevant Law

Management of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified either as temporarily restricted net assets or unrestricted, board-designated net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization's donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

##### Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under these policies, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the respective benchmarks for the different asset classes provided for in the Organization's investment policy. These asset classes include equities and fixed-income investments issued by U.S. government agencies and U.S. foreign corporations. The primary objective is to generate investment returns (interest, dividends and capital gains) to fund the Organization's programs. The target return is 3.75% over inflation, annually, as measured by the Consumer Price Index. Actual returns in any given year may vary from this amount. The secondary objective is to preserve the present and future capital of the endowment over a complete market cycle and to generate a long-term rate of return in order to increase the purchasing power of the Organization's assets.

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 11 – Endowment (Continued)**

Spending Policy and How the Investment Objectives Relate to Spending Policy

Each year, the Board reviews the available funds for distribution and determines the appropriate level of actual disbursements based on current value and expected market changes. This is consistent with the Organization's secondary objective to preserve the present and future capital of the endowment over a complete market cycle and to generate a long-term rate of return in order to increase the purchasing power of the Organization's assets.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The projected returns of the various asset classes are considered along with the volatility of these returns and the down-side risk associated with equities and fixed-income investments.

Funds with Deficiencies

From time to time, the fair value of assets associated with permanent donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of May 31, 2018 and 2017, there were no such deficiencies in the permanent donor-restricted endowment funds.

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 11 – Endowment (Continued)**

Other Information

Endowment net asset composition by type of fund as of May 31, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 9,642,964	\$ -	\$ -	\$ 9,642,964
Donor-restricted endowment funds	<u>-</u>	<u>5,738,789</u>	<u>8,941,628</u>	<u>14,680,417</u>
	<b><u>\$ 9,642,964</u></b>	<b><u>\$ 5,738,789</u></b>	<b><u>\$ 8,941,628</u></b>	<b><u>\$ 24,323,381</u></b>

Changes in endowment net assets for the year ended May 31, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ 8,469,237	\$ 4,798,235	\$ 8,695,121	\$ 21,962,593
Investment return	558,750	946,108	-	1,504,858
Designation of net assets	1,338,783	-	-	1,338,783
Contributions	-	-	246,507	246,507
Appropriation of endowment assets for expenditure	<u>(723,806)</u>	<u>(5,554)</u>	<u>-</u>	<u>(729,360)</u>
Endowment net assets - end of year	<b><u>\$ 9,642,964</u></b>	<b><u>\$ 5,738,789</u></b>	<b><u>\$ 8,941,628</u></b>	<b><u>\$ 24,323,381</u></b>

**Academy of Nutrition and Dietetics**  
**Notes to Consolidated Financial Statements**  
**May 31, 2018 and 2017**

**Note 11 – Endowment (Continued)**

Endowment net asset composition by type of fund as of May 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 8,469,237	\$ -	\$ -	\$ 8,469,237
Donor-restricted endowment funds	<u>-</u>	<u>4,798,235</u>	<u>8,695,121</u>	<u>13,493,356</u>
	<b><u>\$ 8,469,237</u></b>	<b><u>\$ 4,798,235</u></b>	<b><u>\$ 8,695,121</u></b>	<b><u>\$ 21,962,593</u></b>

Changes in endowment net assets for the year ended May 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ 8,345,963	\$ 4,047,774	\$ 8,581,433	\$ 20,975,170
Investment return	476,539	761,272	-	1,237,811
Designation of net assets	1,135,515	-	-	1,135,515
Contributions	-	-	113,688	113,688
Appropriation of endowment assets for expenditure	<u>(1,488,780)</u>	<u>(10,811)</u>	<u>-</u>	<u>(1,499,591)</u>
Endowment net assets - end of year	<b><u>\$ 8,469,237</u></b>	<b><u>\$ 4,798,235</u></b>	<b><u>\$ 8,695,121</u></b>	<b><u>\$ 21,962,593</u></b>

# Academy of Nutrition and Dietetics

## Notes to Consolidated Financial Statements

### May 31, 2018 and 2017

#### Note 12 - Lease Commitments

The Academy occupies two locations under operating leases: the headquarters in Chicago, Illinois, and offices in Washington, D.C. Each lease is of varying length and provides for future rent increases. The headquarters lease arrangement requires the Academy to pay rentals according to a schedule of minimum base rentals through 2033 plus its allocated share of taxes and operating expenses. Monthly base rentals range from \$39,000 to \$64,000. The Washington, D.C. lease arrangement requires the Academy to pay rentals according to a schedule of minimum base rentals through 2029 plus its allocated share of taxes and operating expenses. Monthly base rentals range from \$17,000 to \$28,000.

As of May 31, 2018, future rental commitments for all noncancelable leases were as follows:

2019	\$	720,365
2020		744,256
2021		768,924
2022		794,485
2023		820,954
Thereafter		<u>8,269,920</u>
		<u><u>\$12,118,905</u></u>

Total rent expense, which is recognized on the straight-line basis, amounted to \$873,195 and \$157,557 for fiscal years 2018 and 2017, respectively.

#### Note 13 - Employee Benefit Plan

The Organization maintains a 401(k) plan covering substantially all full-time employees. Contributions to the plan by the Organization are provided on a matching and discretionary basis. The plan provides for a vesting schedule, with participants becoming fully vested in the discretionary portion of the Organization's contributions upon five years of service. Matching contributions are vested immediately. The contribution to the 401(k) plan totaled \$985,413 and \$952,920 for fiscal years 2018 and 2017, respectively. Accrued liabilities as of May 31, 2018 and 2017 included unpaid contributions of \$175,990 and \$190,029, respectively.

#### Note 14 - Contingencies

The Organization's chief executive officer signed an employment agreement that was effective on June 1, 2014 and renewed effective June 1, 2018. This agreement includes a severance provision that will be effective if certain conditions are met. The current contract expires as of May 31, 2023.

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## Additional Information

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## Independent Auditor's Report on Additional Information

To the Board of Directors  
Academy of Nutrition and Dietetics

We have audited the consolidated financial statements of Academy of Nutrition and Dietetics as of and for the years ended May 31, 2018 and 2017 and have issued our report thereon dated September 25, 2018, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of financial position for the Academy of Nutrition and Dietetics, statement of activities by object and fund for the Academy of Nutrition and Dietetics, statement of financial position for the Academy of Nutrition and Dietetics Foundation, and statement of activities for the Academy of Nutrition and Dietetics Foundation are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except as described in the following paragraph, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Under accounting principles generally accepted in the United States of America, "Reporting of Related Entities by Not-for-Profit Organizations" requires consolidation of the Academy of Nutrition and Dietetics and the Academy of Nutrition and Dietetics Foundation. Accordingly, the statement of financial position for the Academy of Nutrition and Dietetics and statement of activities by object and fund for the Academy of Nutrition and Dietetics are not presented in accordance with accounting principles generally accepted in the United States of America, but, as noted above, are presented for analysis purposes.

*Plante & Moran, PLLC*

September 25, 2018

# Academy of Nutrition and Dietetics

## Statement of Financial Position

May 31, 2018

<b>Assets</b>	
Cash Equivalents	\$ 6,007,784
Investments	31,349,816
Interest Receivable	107,472
Accounts Receivable, Net	1,202,371
Prepaid Expenses	1,549,875
Inventories	1,149,499
Investments Held for Deferred Compensation	629,736
Property and Equipment:	
Furniture and Fixtures	565,897
Computer Equipment	6,680,519
Leasehold Improvements	2,502,967
	<u>9,749,383</u>
Less: Accumulated Depreciation and Amortization	<u>(3,954,862)</u>
	5,794,521
<b>Total Assets</b>	<b><u>\$ 47,791,074</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 1,116,621
Accrued Liabilities	1,508,847
Interorganization Balances	(243,396)
Due to State Associations	3,207,641
	<u>5,589,713</u>
Deferred Revenue:	
Membership Dues	7,693,673
Registration Fees	3,865,989
Subscriptions	2,520,242
Annual Meeting	1,724,875
Sponsorships	363,781
Other	1,536,525
Total Deferred Revenue	<u>17,705,085</u>
Deferred Compensation	629,736
Deferred Rent Incentive	1,309,891
Term Note Payable	1,510,419
	<u>3,450,046</u>
<b>Total Liabilities</b>	<b><u>26,744,844</u></b>
<b>Net Assets</b>	
Unrestricted:	
Academy Operations	2,163,262
Commission on Dietetic Registration	8,870,247
Dietetic Practice Groups	7,919,628
Accreditation Council for Education in Nutrition and Dietetics	1,883,224
ANDPAC	209,869
	<u>21,046,230</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 47,791,074</u></b>

See Independent Auditor's Report on  
Additional Information.

# Academy of Nutrition and Dietetics

Statement of Activities - By Object and Fund  
Year to Date as of May 31, 2018

	Academy	Commission On Dietetic Registration	DPGs / MIGs ACEND / NDEP	ANDPAC	Total
<b>REVENUES:</b>					
Membership dues - Gross	\$ 11,540,218	\$ -	\$ 1,889,360	\$ -	\$ 13,429,578
State affiliate allocations	(2,280,177)	-	-	-	(2,280,177)
Membership dues - Net	9,260,041	-	1,889,360	-	11,149,401
Registration and examination fees	-	8,596,426	-	-	8,596,426
Contributions	-	-	-	112,300	112,300
Programs and meetings	5,571,368	-	432,626	-	6,003,994
Publications and materials	2,397,220	233,835	155,461	-	2,786,516
Subscriptions	2,269,711	-	655	-	2,270,366
Advertising	289,428	-	71,910	-	361,338
Sponsorships	1,197,645	-	-	-	1,197,645
Grants	346,385	-	872,764	-	1,219,149
Education program	-	471,050	1,754,623	-	2,225,673
Other	1,292,222	1,700	199,780	-	1,493,702
	<u>22,624,020</u>	<u>9,303,011</u>	<u>5,377,179</u>	<u>112,300</u>	<u>37,416,510</u>
<b>EXPENSES:</b>					
Personnel	13,243,912	1,810,784	816,643	-	15,871,339
Publications	2,341,450	63,759	3,434	-	2,408,643
Travel	952,061	498,647	1,236,100	2,432	2,689,240
Professional fees	1,574,205	1,049,869	1,056,959	-	3,681,033
Postage and mailing service	622,298	386,255	78,273	-	1,086,826
Office supplies and equipment	225,604	75,812	12,217	-	313,633
Rent and utilities	873,195	114,000	70,540	-	1,057,735
Telephone and communications	143,340	56,599	34,569	-	234,508
Commissions	60,885	-	-	-	60,885
Computer expenses	753,753	46,566	89,416	-	889,735
Advertising and promotion	81,770	18,364	22,004	8,212	130,350
Insurance	81,514	131,177	18,403	-	231,094
Depreciation	1,321,894	253,385	88,908	-	1,664,187
Income taxes	-	12,497	-	-	12,497
Bank and trust fees	1,138,999	176,739	82,540	-	1,398,278
Other	(2,493,030)	2,868,013	502,855	2,448	880,286
Donations to the Foundation	100,000	526,000	261,460	107,375	994,835
Examination administration	-	857,334	-	-	857,334
Meeting services	2,439,028	728,487	1,041,970	16,598	4,226,083
Legal and audit	229,915	57,168	7,077	-	294,160
Printing	140,869	99,844	107,276	62	348,051
	<u>23,831,662</u>	<u>9,831,299</u>	<u>5,530,644</u>	<u>137,127</u>	<u>39,330,732</u>
<b>Decrease in Net Assets from Operating Activities</b>	<u>(1,207,642)</u>	<u>(528,288)</u>	<u>(153,465)</u>	<u>(24,827)</u>	<u>(1,914,222)</u>
<b>Return on Investments</b>	<u>1,677,690</u>	<u>799,997</u>	<u>791,502</u>	<u>-</u>	<u>3,269,189</u>
<b>Increase (Decrease) in Net Assets</b>	470,048	271,709	638,037	(24,827)	1,354,967
<b>Net Assets at Beginning of Year</b>	1,693,214	8,598,538	9,164,815	234,696	19,691,263
<b>Net Assets at End of Year</b>	<u>\$ 2,163,262</u>	<u>\$ 8,870,247</u>	<u>\$ 9,802,852</u>	<u>\$ 209,869</u>	<u>\$ 21,046,230</u>

See Independent Auditor's Report on  
Additional Information.

**Academy of Nutrition and Dietetics Foundation**  
**Statement of Financial Position**  
**May 31, 2018**

**Assets**

Cash Equivalents	\$ 2,486,315
Investments	23,732,449
Interest Receivable	84,520
Pledges Receivable, Net	500,732
Prepaid Expenses	14,929
Interorganization Balances	(243,396)
Property and Equipment:	
Computer Equipment	84,474
Less Accumulated Depreciation and Amortization	(50,294)
	<u>34,180</u>

**Total Assets**

**\$ 26,609,729**

**Liabilities**

Deferred Annual Meeting	\$ 3,500
<b>Total Liabilities</b>	<u>3,500</u>

**Net Assets**

Unrestricted	5,847,316
Temporarily Restricted	11,817,285
Permanently Restricted	8,941,628
<b>Total Net Assets</b>	<u>26,606,229</u>

**Total Liabilities and Net Assets**

**\$ 26,609,729**

**Academy of Nutrition and Dietetics Foundation**  
**Statement of Activities**  
**Year Ended May 31, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES</b>				
Grants and Donations	\$ -	\$ 394,049	\$ -	\$ 394,049
Member Contributions	438,941	465,318	240,525	1,144,784
Corporate Contributions	12,382	1,122,833	5,982	1,141,197
Sponsorships	184	94,000	-	94,184
Release from Restrictions	2,298,449	(2,298,449)	-	-
<b>Total ANDF</b>	<b>2,749,956</b>	<b>(222,249)</b>	<b>246,507</b>	<b>2,774,214</b>
<b>EXPENSES</b>				
Personnel	864,631	-	-	864,631
Travel	80,308	-	-	80,308
Professional Fees	291,537	-	-	291,537
Postage and Mailing Service	5,440	-	-	5,440
Office Supplies and Equipment	1,791	-	-	1,791
Rent and Utilities	60,248	-	-	60,248
Telephone and Communications	18,402	-	-	18,402
Computer Expense	36,672	-	-	36,672
Insurance	17,705	-	-	17,705
Depreciation	17,258	-	-	17,258
Bank and Trust Fees	131,393	-	-	131,393
Other	46,355	-	-	46,355
Meeting Services	149,111	-	-	149,111
Legal and Audit	2,939	-	-	2,939
Printing	1,364	-	-	1,364
Scholarships and Awards	1,297,288	-	-	1,297,288
<b>Total ANDF</b>	<b>3,022,442</b>	<b>-</b>	<b>-</b>	<b>3,022,442</b>
<b>(Decrease) Increase in Net Assets from Operating Activities before Other Items</b>	<b>(272,486)</b>	<b>(222,249)</b>	<b>246,507</b>	<b>(248,228)</b>
<b>Return on Investments</b>	<b>558,750</b>	<b>2,004,451</b>	<b>-</b>	<b>2,563,201</b>
<b>Increase in Net Assets</b>	<b>286,264</b>	<b>1,782,202</b>	<b>246,507</b>	<b>2,314,973</b>
<b>Net Assets</b>				
Beginning of Year	5,561,052	10,035,083	8,695,121	24,291,256
End of Year	<b>\$ 5,847,316</b>	<b>\$ 11,817,285</b>	<b>\$ 8,941,628</b>	<b>\$ 26,606,229</b>

See Independent Auditor's Report on  
Additional Information.

### Independent Auditor's Report on Additional Information

To the Board of Directors  
Academy of Nutrition and Dietetics

We have audited the consolidated financial statements of Academy of Nutrition and Dietetics as of and for the years ended May 31, 2018 and 2017 and have issued our report thereon dated September 25, 2018, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of activities for the Accreditation Council for Education in Nutrition and Dietetics are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except as described in the following paragraph, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Under accounting principles generally accepted in the United States of America, "Reporting of Related Entities by Not-for-Profit Organizations" requires consolidation of the Academy of Nutrition and Dietetics and the Academy of Nutrition and Dietetics Foundation. Accordingly, the statement of financial position for the Academy of Nutrition and Dietetics and statement of activities by object and fund for the Academy of Nutrition and Dietetics are not presented in accordance with accounting principles generally accepted in the United States of America, but, as noted above, are presented for analysis purposes.

*Plante & Moran, PLLC*

September 25, 2018

**Accreditation Council for Education in Nutrition and Dietetics**  
**Statement of Activities**  
**Year Ended May 31, 2018**

	<u>ACEND</u>
<b>REVENUES:</b>	
Programs and meetings	\$ 49,950
Publications and materials	1,710
Education program	1,754,623
Other	179,826
Total Revenues	<u>1,986,109</u>
<b>EXPENSES:</b>	
Personnel	816,393
Travel	465,519
Professional fees	78,213
Postage and mailing service	364
Office supplies and equipment	1,833
Rent and utilities	69,000
Telephone and communications	15,738
Computer expenses	47,169
Insurance	18,403
Depreciation	16,515
Bank and trust fees	16,792
Other	65,103
Meeting services	134,887
Legal and audit	7,077
Printing	67
Total Expenses	<u>1,753,073</u>
<b>Increase in Net Assets from Operating Activities</b>	233,036
<b>Return on Investments</b>	<u>72,235</u>
<b>Increase in Net Assets</b>	<u><u>\$ 305,271</u></u>