
Academy of Nutrition and Dietetics

**Consolidated Financial Report
with Additional Information
May 31, 2020**

Academy of Nutrition and Dietetics

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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 the Academy of Nutrition and Dietetics (the "Organization"), which comprise the consolidated statement of financial position as of May 31, 2020 and 2019 and the related consolidated statements of activities and changes in net assets, functional expenses, 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 Organization'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 Organization'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 opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Academy of Nutrition and Dietetics as of May 31, 2020 and 2019 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 2 to the consolidated financial statements, there were subsequent events that impacted the Organization. Our opinion is not modified with respect to these matters.

Also, as described in Note 2 to the consolidated financial statements, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

September 14, 2020

Academy of Nutrition and Dietetics

Consolidated Statement of Financial Position

May 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 6,510,525	\$ 9,920,818
Investments	61,952,140	54,911,956
Receivables - Net of allowances:		
Accounts receivable	878,004	1,427,718
Pledges receivable	323,364	340,673
Total receivables - Net of allowances	1,201,368	1,768,391
Inventory	1,511,100	1,188,896
Interest receivable	164,542	156,434
Investments held for deferred compensation	690,813	672,595
Prepaid expenses	1,510,272	1,677,239
Property and equipment - Net	5,355,758	5,520,033
Total assets	<u>\$ 78,896,518</u>	<u>\$ 75,816,362</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 943,044	\$ 1,773,787
Bank line of credit	3,000,000	-
Deferred revenue	14,463,583	17,360,022
Due to state associations	2,995,488	3,348,506
Deferred compensation	690,813	672,595
Deferred rent incentive	1,377,366	1,278,236
Accrued liabilities	2,768,386	1,837,993
Term note payable	50,993	884,708
PPP loan payable	187,500	-
Total liabilities	26,477,173	27,155,847
Net Assets		
Without donor restrictions	33,673,080	31,154,697
With donor restrictions	18,746,265	17,505,818
Total net assets	52,419,345	48,660,515
Total liabilities and net assets	<u>\$ 78,896,518</u>	<u>\$ 75,816,362</u>

Academy of Nutrition and Dietetics

Consolidated Statement of Activities and Changes in Net Assets

Years Ended May 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Administration	\$ 102,056	\$ -	\$ 102,056	\$ 94,851	\$ -	\$ 94,851
Member services	16,380,827	-	16,380,827	16,632,510	-	16,632,510
Governance	96,985	-	96,985	15,067	-	15,067
Consumer education	563,050	15,000	578,050	941,686	75,000	1,016,686
Professional affairs	2,434,166	664,254	3,098,420	2,848,469	469,483	3,317,952
External affairs	6,886,070	624,740	7,510,810	6,971,218	942,982	7,914,200
Policy initiatives and advocacy	133,652	-	133,652	108,474	-	108,474
Commission on dietetic registration	10,019,850	-	10,019,850	9,285,264	-	9,285,264
Net assets released from restrictions	2,599,487	(2,599,487)	-	2,261,351	(2,261,351)	-
Total revenue	39,216,143	(1,295,493)	37,920,650	39,158,890	(773,886)	38,385,004
Expenses						
Administration	2,790,148	-	2,790,148	3,392,990	-	3,392,990
Member services	9,950,781	-	9,950,781	9,606,860	-	9,606,860
Governance	2,029,251	-	2,029,251	1,812,248	-	1,812,248
Consumer education	1,344,368	-	1,344,368	1,350,254	-	1,350,254
Professional affairs	4,439,571	-	4,439,571	4,691,476	-	4,691,476
External affairs	9,401,832	-	9,401,832	8,888,874	-	8,888,874
Policy initiatives and advocacy	1,973,013	-	1,973,013	1,708,126	-	1,708,126
Commission on dietetic registration	9,317,051	-	9,317,051	9,416,791	-	9,416,791
Total expenses	41,246,015	-	41,246,015	40,867,619	-	40,867,619
Decrease in Net Assets - Before return on investments	(2,029,872)	(1,295,493)	(3,325,365)	(1,708,729)	(773,886)	(2,482,615)
Return on Investments	4,548,255	2,535,940	7,084,195	2,174,232	1,316,439	3,490,671
Increase in Net Assets	2,518,383	1,240,447	3,758,830	465,503	542,553	1,008,056
Net Assets - Beginning of year	31,154,697	17,505,818	48,660,515	30,689,194	16,963,265	47,652,459
Net Assets - End of year	\$ 33,673,080	\$ 18,746,265	\$ 52,419,345	\$ 31,154,697	\$ 17,505,818	\$ 48,660,515

Academy of Nutrition and Dietetics

Consolidated Statement of Functional Expenses

Year Ended May 31, 2020

	Program Services	Member Development	Fundraising	Management and General	Total
Salaries, wages, and benefits	\$ 11,040,242	\$ 419,056	\$ 109,511	\$ 6,727,804	\$ 18,296,613
Travel	2,219,461	5,449	12,325	69,478	2,306,713
Printing and publications	2,612,727	33,847	506	23,129	2,670,209
Professional services	3,470,653	10,485	8,925	92,474	3,582,537
Marketing and promotion	136,885	1,234	-	-	138,119
Technology	520,644	17,618	1,383	537,817	1,077,462
Grants and awards	1,539,207	-	-	-	1,539,207
Postage and mailing	787,882	53,748	-	37,401	879,031
Occupancy	284,678	-	-	943,692	1,228,370
Depreciation	992,673	-	-	604,116	1,596,789
Meeting expenses	3,436,670	7,666	90,004	15,894	3,550,234
Exam administration	914,574	-	-	-	914,574
Telephone and communication	223,970	81	2,059	7,917	234,027
Bank fees	1,370,322	-	-	61,538	1,431,860
Other expenses	1,683,590	1,438	36,492	78,750	1,800,270
Total functional expenses	<u>\$ 31,234,178</u>	<u>\$ 550,622</u>	<u>\$ 261,205</u>	<u>\$ 9,200,010</u>	<u>\$ 41,246,015</u>

Academy of Nutrition and Dietetics

Consolidated Statement of Functional Expenses

Year Ended May 31, 2019

	Program Services	Member Development	Fundraising	Management and General	Total
Salaries, wages, and benefits	\$ 10,487,005	\$ 402,883	\$ 105,713	\$ 6,401,987	\$ 17,397,588
Travel	2,636,250	3,247	16,618	81,470	2,737,585
Printing and publications	2,636,536	35,537	476	16,772	2,689,321
Professional services	3,186,181	21,875	1,950	315,971	3,525,977
Marketing and promotion	131,711	2,100	-	-	133,811
Technology	462,779	18,432	1,565	520,215	1,002,991
Grants and awards	1,380,374	-	-	-	1,380,374
Postage and mailing	907,030	40,357	-	54,213	1,001,600
Occupancy	281,413	-	-	884,179	1,165,592
Depreciation	1,048,725	-	-	596,385	1,645,110
Meeting expenses	3,268,548	10,818	98,423	15,165	3,392,954
Exam administration	852,174	-	-	-	852,174
Telephone and communication	300,991	885	1,677	709	304,262
Bank fees	1,153,520	-	-	-	1,153,520
Other expenses	2,437,426	13,065	24,743	9,526	2,484,760
Total functional expenses	<u>\$ 31,170,663</u>	<u>\$ 549,199</u>	<u>\$ 251,165</u>	<u>\$ 8,896,592</u>	<u>\$ 40,867,619</u>

Academy of Nutrition and Dietetics

Consolidated Statement of Cash Flows

Years Ended May 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Increase in net assets	\$ 3,758,830	\$ 1,008,056
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Net realized and change in unrealized gains	(6,352,678)	(2,579,594)
Depreciation and amortization	1,766,155	1,724,109
Contributions restricted for long-term purposes	(214,583)	(223,704)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Interest receivable	(8,108)	35,558
Accounts/pledges receivable	567,023	(65,288)
Prepaid expenses	166,967	(112,435)
Inventory	(491,570)	(39,397)
Investments held for deferred compensation	(18,218)	(42,859)
Accounts payable	(830,743)	657,166
Accrued liabilities	930,393	329,146
Due to state associations	(353,018)	140,865
Deferred revenue and other deferred items	(2,779,091)	(337,359)
Net cash and cash equivalents (used in) provided by operating activities	(3,858,641)	494,264
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,432,514)	(1,415,441)
Purchases of investments	(8,808,423)	(9,209,607)
Proceeds from sales and maturities of investments	8,120,917	11,959,510
Net cash and cash equivalents (used in) provided by investing activities	(2,120,020)	1,334,462
Cash Flows from Financing Activities		
Net proceeds from line of credit	3,000,000	-
Proceeds from PPP loan	187,500	-
Payments on long-term debt	(833,715)	(625,711)
Proceeds from contributions restricted for long-term purposes	214,583	223,704
Net cash and cash equivalents provided by (used in) financing activities	2,568,368	(402,007)
Net (Decrease) Increase in Cash and Cash Equivalents	(3,410,293)	1,426,719
Cash and Cash Equivalents - Beginning of year	9,920,818	8,494,099
Cash and Cash Equivalents - End of year	<u>\$ 6,510,525</u>	<u>\$ 9,920,818</u>

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 1 - Nature of Business

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 composed 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.

Note 2 - Significant Accounting Policies

Classification of Net Assets

For financial reporting purposes, the Organization classifies net assets and related activities as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions are available for support of the Organization's operations, 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

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions 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 net assets with donor restrictions and released to net assets without donor restrictions when appropriated for expenditure.

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 does not believe it is exposed to any significant credit risk on cash. Cash and cash equivalents are composed of cash deposits of \$1,614,049 and \$2,849,559 and money market accounts totaling \$4,896,476 and \$7,071,259 as of May 31, 2020 and 2019, respectively.

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 4).

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 statement 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 \$23,491 and \$35,607 as of May 31, 2020 and 2019, 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.

Inventory

Inventory primarily consists 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 \$60,727 and \$70,243 as of May 31, 2020 and 2019, respectively.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

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. Costs of maintenance and repairs are charged to expense when incurred.

	<u>Depreciable Life - 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 revenue is 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 revenue is prorated over the life of the contract where appropriate.

Rental and Expense

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 primarily consists 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.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same year in which the gift is received are reported as contributions without donor restrictions in the accompanying financial statements.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets and on a functional and natural basis in the consolidated statement of functional expenses. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Expenses deemed to be indirect to employee work, such as professional services and depreciation, are allocated between functional categories based on direct usage in each department. Other expenses utilized by all employees, such as occupancy, utilities, and training, are also allocated on the basis of time and effort. Costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

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 \$18,061 and \$11,326 during 2020 and 2019, 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 ANDPAC. Membership dues revenue is not used to directly support the ANDPAC. The Academy did not incur any tax liability during 2020 and 2019.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2020 and 2019 was \$138,119 and \$133,811, respectively.

Use of Estimates

The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including September 14, 2020, which is the date the consolidated financial statements were available to be issued. On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As a result of the pandemic, in March 2020, the Organization ordered all employees to work remotely and converted all face-to-face meetings and travel to virtual meetings when possible. The Organization also secured an increased line of credit with a bank in March 2020. In July 2020, the Organization converted the 2020 FNCE to a virtual experience and suspended payment of the employer 401(k) discretionary contributions. Future potential impacts may include continued disruptions or restrictions on the Academy's operations, including declines in product sales, impaired ability to obtain contributions and funding, and lower membership renewals. The future effects of these issues are unknown.

Recently Adopted Accounting Pronouncement

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance delayed revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The Academy adopted the ASU effective June 1, 2019 on a modified prospective basis. The adoption of the ASU caused the Academy to change the way certain conditional contributions are recorded.

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued 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, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. The Organization plans to apply the standard using the modified retrospective method. 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.

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 2 - Significant Accounting Policies (Continued)

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 statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations 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, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Organization is still evaluating which method it will apply. The new lease standard is expected to have a significant effect on the Organization's consolidated statement of financial position as a result of the Organization's operating leases, as disclosed in Note 13, that will be reported on the consolidated statement of financial position at adoption. Upon adoption, the Organization will recognize a lease liability and corresponding right-of-use asset based on the present value of the minimum lease payments. The effects on the consolidated statement of activities and changes in net assets are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

Note 3 - Liquidity and Availability of Resources

The Organization's financial assets available within one year of May 31, 2020 and 2019 for general expenditure are as follows:

	2020	2019
Cash and cash equivalents	\$ 6,510,525	\$ 9,920,818
Investments	34,313,482	29,332,733
Interest receivable	164,542	156,434
Accounts receivable	878,004	1,427,718
Pledges receivable	11,072	37,871
Total	\$ 41,877,625	\$ 40,875,574

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet six months of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 4 - 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, 2020 and 2019 and the valuation techniques used by the Organization to determine those fair values.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 4 - Fair Value Measurements (Continued)

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 following types of fixed-income securities based on similar investments that are traded on the secondary market: government agencies - mortgage backed, municipal issues, inflation linked, and international developed.

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.

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

<u>Assets Measured at Fair Value on a Recurring Basis at May 31, 2020</u>				
	<u>Quoted Prices in</u>			
	<u>Active Markets</u>	<u>Significant Other</u>	<u>Significant</u>	
	<u>for Identical</u>	<u>Observable</u>	<u>Unobservable</u>	
	<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>	<u>Balance at</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>May 31, 2020</u>
Investments				
Marketable equity securities:				
Large-cap common stocks	\$ 42,235,274	\$ -	\$ -	\$ 42,235,274
Mid cap	3,274,193	-	-	3,274,193
Small cap	3,933	-	-	3,933
International developed	642,982	-	-	642,982
Other equity	399,861	-	-	399,861
Fixed-income securities:				
Corporate	7,789,344	-	-	7,789,344
Government agencies -				
Mortgage backed	-	6,639,656	-	6,639,656
Municipal issues	-	200,342	-	200,342
High yield	-	244,960	-	244,960
Inflation linked	-	424,131	-	424,131
International developed	-	97,464	-	97,464
Total assets	<u>\$ 54,345,587</u>	<u>\$ 7,606,553</u>	<u>\$ -</u>	<u>\$ 61,952,140</u>
Investments Held for Deferred Compensation - Equity funds				
	<u>\$ 690,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,813</u>

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 4 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at May 31, 2019			Balance at May 31, 2019
	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	\$ 37,279,221	\$ -	\$ -	\$ 37,279,221
Mid cap	2,429,079	-	-	2,429,079
Small cap	95,728	-	-	95,728
International developed	365,227	-	-	365,227
International emerging	350,310	-	-	350,310
Other equity	114,592	-	-	114,592
Fixed-income securities:				
Corporate	8,680,674	-	-	8,680,674
Government agencies - Mortgage backed	-	4,045,913	-	4,045,913
Municipal issues	-	277,081	-	277,081
Inflation linked	-	422,731	-	422,731
International developed	-	851,400	-	851,400
Total assets	\$ 49,314,831	\$ 5,597,125	\$ -	\$ 54,911,956
Investments Held for Deferred Compensation - Equity funds				
	\$ 672,595	\$ -	\$ -	\$ 672,595

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2020	2019
Furniture and fixtures	\$ 475,746	\$ 550,344
Computer equipment	1,139,141	1,083,943
Computer software and website development	4,493,816	6,021,291
Leasehold improvements	2,505,644	2,505,644
Construction in progress	279,252	74,516
Total cost	8,893,599	10,235,738
Accumulated depreciation	3,537,841	4,715,705
Net property and equipment	\$ 5,355,758	\$ 5,520,033

Depreciation expense for 2020 and 2019 was \$1,596,789 and \$1,645,110, respectively.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 6 - Accrued Liabilities

The following is the detail of accrued liabilities:

	<u>2020</u>	<u>2019</u>
Compensation	\$ 1,495,792	\$ 734,783
Vacation	650,000	594,004
Other	622,594	509,206
Total	<u>\$ 2,768,386</u>	<u>\$ 1,837,993</u>

Note 7 - Deferred Revenue

The following is the detail of deferred revenue:

	<u>2020</u>	<u>2019</u>
Membership dues	\$ 5,318,032	\$ 7,660,321
Registration fees	4,349,330	3,885,655
Subscriptions	2,071,288	2,464,301
Annual meetings	711,837	1,383,436
Sponsorships	150,000	150,000
Other	1,863,096	1,816,309
Total	<u>\$ 14,463,583</u>	<u>\$ 17,360,022</u>

Note 8 - Line of Credit

Under an unsecured line of credit agreement with a bank entered into in July 2016, the Organization had maximum available borrowings of approximately \$2,000,000. This line of credit matured on December 31, 2019. At this time, the Organization renewed the line of credit, extending the maturity date until December 31, 2020. In March 2020, the Organization modified the line of credit to increase the maximum available borrowing to \$3,000,000. The Organization had outstanding drawings of \$3,000,000 and \$0 as of May 31, 2020 and 2019. Interest is payable monthly at LIBOR plus 1.0 percent under the agreements (an effective rate of 1.19 and 2.45 percent at May 31, 2020 and 2019, respectively). Interest expense was \$29,291 and \$34,516 for the years ended May 31, 2020 and 2019, respectively.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 9 - Long-term Debt

Long-term debt at May 31 is as follows:

	<u>2020</u>	<u>2019</u>
Note payable to a bank in monthly instalments of \$52,083, plus interest at 1.0 percent above LIBOR (an effective rate of 1.19 and 3.43 percent at May 31, 2020 and 2019, respectively). The note is unsecured and is due on December 31, 2020	\$ 50,993	\$ 884,708
The Organization was approved for a loan under the Paycheck Protection Program created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Organization received the funds on April 15, 2020 and accrues interest at 0.98 percent, but payments are not required to be made until September 30, 2020. The Organization may be eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the federal government	<u>187,500</u>	<u>-</u>
Total	<u>\$ 238,493</u>	<u>\$ 884,708</u>

The balance of the above debt is all expected to mature in the fiscal year ending 2021. Interest expense for 2020 and 2019 was \$17,347 and \$41,073, respectively. Under the agreements with the bank, the Organization is subject to various financial covenants.

Note 10 - Nonqualified Deferred Compensation Plans

The deferred compensation liability of \$690,813 and \$672,595 as of May 31, 2020 and 2019, 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 4).

The first nonqualified deferred compensation plan was amended and participation was frozen in 1997. A liability for this plan totaling \$411,123 and \$417,014 as of May 31, 2020 and 2019, 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 \$279,690 and \$255,581 as of May 31, 2020 and 2019, 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.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 11 - Net Assets

Net assets without donor restrictions consist of the following as of May 31:

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Academy of Nutrition and Dietetics operations	\$ 1,855,963	\$ 1,813,732
Internally designated for:		
Commission on dietetic registration	10,361,142	9,279,902
Specialty groups	8,570,082	7,816,420
Accreditation Council for Education in Nutrition and Dietetics	2,160,436	2,214,923
Academy of Nutrition and Dietetics Foundation	10,555,788	9,857,310
ANDPAC	169,669	172,410
Total net assets without donor restrictions	<u>\$ 33,673,080</u>	<u>\$ 31,154,697</u>

Net assets with donor restrictions as of May 31 are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditures for a specified purpose:		
Research grants (21st Century Club)	\$ 2,046,965	\$ 1,718,263
Public education program*	1,449,459	1,635,698
Scholarships and awards	5,869,926	4,986,525
Total subject to expenditures for a specified purpose	9,366,350	8,340,486
Subject to the Organization's spending policy, appropriation, and satisfaction of purpose restrictions, if applicable, the income of which is available to support:		
Research grants (21st Century Club)	1,835,513	1,835,513
Scholarships and awards	7,544,402	7,329,819
Subtotal	9,379,915	9,165,332
Total	<u>\$ 18,746,265</u>	<u>\$ 17,505,818</u>

*Some amounts included in these restrictions are also included in the pledges receivable balance on the consolidated statement of financial position and, therefore, are restricted for time and purpose.

Note 12 - Donor-restricted and Board-designated Endowments

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 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 the existence or absence of donor-imposed restrictions.

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Organization had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of May 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 10,555,788	\$ -	\$ 10,555,788
Donor-restricted endowment funds	-	16,853,108	16,853,108
Total	<u>\$ 10,555,788</u>	<u>\$ 16,853,108</u>	<u>\$ 27,408,896</u>
Changes in Endowment Net Assets for the Fiscal Year Ended May 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 9,857,310	\$ 15,492,126	\$ 25,349,436
Investment return	683,055	1,146,399	1,829,454
Designation of net assets	718,581	-	718,581
Contributions	-	214,583	214,583
Appropriation of endowment assets for expenditure	(703,158)	-	(703,158)
Endowment net assets - End of year	<u>\$ 10,555,788</u>	<u>\$ 16,853,108</u>	<u>\$ 27,408,896</u>

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of May 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 9,857,310	\$ -	\$ 9,857,310
Donor-restricted endowment funds	-	15,492,126	15,492,126
Total	\$ 9,857,310	\$ 15,492,126	\$ 25,349,436

Changes in Endowment Net Assets for the Fiscal Year Ended May 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 9,642,964	\$ 14,680,417	\$ 24,323,381
Investment return	372,820	588,005	960,825
Designation of net assets	553,384	-	553,384
Contributions	-	223,704	223,704
Appropriation of endowment assets for expenditure	(711,858)	-	(711,858)
Endowment net assets - End of year	\$ 9,857,310	\$ 15,492,126	\$ 25,349,436

Underwater Endowment Funds

As of May 31, 2020 and 2019, there were no funds with deficiencies.

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 or for a donor-specified period, as well as board-designated funds. Under this policy, 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 percent over inflation, annually, as measured by the Consumer Price Index. The secondary investment 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. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the 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.

Academy of Nutrition and Dietetics

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

Note 12 - Donor-restricted and Board-designated Endowments (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. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The board of directors appropriated for expenditure \$0 from underwater endowments during 2020 and 2019.

Note 13 - 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.

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

Years Ending May 31	Amount
2021	\$ 768,924
2022	794,486
2023	820,954
2024	848,246
2025	876,479
Thereafter	6,545,194
Total	<u>\$ 10,654,283</u>

Note 14 - 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 \$506,276 and \$1,068,931 for fiscal years 2020 and 2019, respectively. Accrued liabilities as of May 31, 2020 and 2019 included unpaid contributions of \$808,625 and \$194,347, respectively.

Note 15 - 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.

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, 2020 and 2019 and have issued our report thereon dated September 14, 2020, 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 Academy of Nutrition and Dietetics, statement of activities by object and fund for Academy of Nutrition and Dietetics, statement of financial position for Academy of Nutrition and Dietetics Foundation, and statement of activities for 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 Academy of Nutrition and Dietetics and Academy of Nutrition and Dietetics Foundation. Accordingly, the statement of financial position for Academy of Nutrition and Dietetics and statement of activities by object and fund for 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.

Plant & Moran, PLLC

September 14, 2020

Academy of Nutrition and Dietetics

Statement of Financial Position

May 31, 2020

Assets

Cash and Cash Equivalents	\$	4,034,100
Investments		35,257,514
Interest Receivable		92,140
Accounts Receivable, Net		878,004
Prepaid Expenses		1,508,808
Inventories		1,511,100
Investments Held for Deferred Compensation		690,813
Property and Equipment:		
Furniture and Fixtures		475,746
Computer Equipment		5,862,612
Leasehold Improvements		2,505,644
		<u>8,844,002</u>
Less: Accumulated Depreciation and Amortization		<u>(3,506,152)</u>
		<u>5,337,850</u>
Total Assets	\$	<u>49,310,329</u>

Liabilities

Accounts Payable	\$	943,044
Bank line of credit		3,000,000
Accrued Liabilities		2,768,386
Interorganization Balances		(96,636)
Due to State Associations		2,995,488
		<u>9,610,282</u>
Deferred Revenue:		
Membership Dues		5,318,032
Registration Fees		4,349,330
Subscriptions		2,071,288
Annual Meeting		711,837
Sponsorships		150,000
Other		1,863,096
Total Deferred Revenue		<u>14,463,583</u>
Deferred Compensation		690,813
Deferred Rent Incentive		1,377,366
Term Note Payable		50,993
		<u>2,119,172</u>
Total Liabilities		<u>26,193,037</u>

Net Assets

Net Assets without Donor Restriction:		
Academy Operations		1,855,963
Commission on Dietetic Registration		10,361,142
Dietetic Practice Groups		8,570,082
Accreditation Council for Education in Nutrition and Dietetics		2,160,436
ANDPAC		169,669
		<u>23,117,292</u>
Total Net Assets		<u>23,117,292</u>
Total Liabilities and Net Assets	\$	<u>49,310,329</u>

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, 2020

	Academy	Commission On Dietetic Registration	DPGs / MIGs ACEND / NDEP	ANDPAC	Total
REVENUES:					
Membership dues - Gross	\$ 11,097,547	\$ -	\$ 1,831,256	\$ -	\$ 12,928,803
State affiliate allocations	(2,136,101)	-	-	-	(2,136,101)
Membership dues - Net	8,961,446	-	1,831,256	-	10,792,702
Registration and examination fees	-	9,562,375	-	-	9,562,375
Contributions	-	-	-	91,468	91,468
Programs and meetings	5,038,015	1,089	210,897	-	5,250,001
Publications and materials	2,427,656	186,193	137,484	-	2,751,333
Subscriptions	2,328,397	-	960	-	2,329,357
Advertising	243,079	-	10,820	-	253,899
Sponsorships	567,866	-	-	-	567,866
Grants	454,140	-	898,981	-	1,353,121
Education program	-	270,193	1,745,831	-	2,016,024
Other	1,383,120	-	103,456	7,584	1,494,160
Total Revenue	21,403,718	10,019,850	4,939,684	99,052	36,462,306
EXPENSES:					
Personnel	14,312,648	2,123,301	965,273	-	17,401,222
Publications	2,294,357	22,314	32,076	-	2,348,747
Travel	874,768	363,410	934,842	2,083	2,175,103
Professional fees	1,659,288	919,425	995,639	-	3,574,352
Postage and mailing service	537,127	302,805	35,107	-	875,039
Office supplies and equipment	232,606	64,025	10,280	-	306,911
Rent and utilities	961,198	123,444	78,512	-	1,163,154
Telephone and communications	127,433	60,367	26,495	-	214,295
Commissions	100,349	-	-	-	100,349
Computer expenses	889,879	55,767	105,917	-	1,051,563
Advertising and promotion	90,359	14,189	33,571	-	138,119
Insurance	79,600	135,336	19,116	-	234,052
Depreciation	1,295,590	238,534	49,492	-	1,583,616
Income taxes	-	18,061	-	-	18,061
Bank and trust fees	711,799	194,032	59,138	-	964,969
Other	(2,479,210)	3,248,232	401,687	6,057	1,176,766
Donations to the Foundation	-	312,621	251,613	73,050	637,284
Examination administration	-	914,572	-	-	914,572
Meeting services	2,042,380	353,199	968,448	18,315	3,382,342
Legal and audit	209,314	62,362	7,042	-	278,718
Printing	167,079	103,676	47,269	2,287	320,311
Total Expenses	24,106,565	9,629,672	5,021,518	101,792	38,859,545
(Decrease) Increase In Net Assets from Operating Activities	(2,702,847)	390,178	(81,834)	(2,740)	(2,397,243)
Return on Investments	1,977,044	1,155,186	1,084,918	-	4,217,148
(Decrease) Increase In Net Assets	\$ (725,803)	\$ 1,545,364	\$ 1,003,084	\$ (2,740)	\$ 1,819,905

See Independent Auditor's Report on
Additional information.

Academy of Nutrition and Dietetics Foundation

Statement of Financial Position

May 31, 2020

Assets

Cash and Cash Equivalents	\$ 2,476,425
Investments	26,694,626
Interest Receivable	72,402
Pledges Receivable, Net	323,364
Prepaid Expenses	1,464
Interorganization Balances	(96,636)
Property and Equipment:	
Computer Equipment	49,600
Less Accumulated Depreciation and Amortization	(31,692)
	<u>17,908</u>

Total Assets

\$ 29,489,553

Liability - PPP loan payable

\$ 187,500

Net Assets

Net Assets without Donor Restriction	5,853,823
Net Assets with Donor Restriction	23,448,230

Total Net Assets

\$ 29,302,053

Total Liability and Net Assets

\$ 29,489,553

Academy of Nutrition and Dietetics Foundation

Statement of Activities

Year Ended May 31, 2020

	Net Assets without Donor Restriction	Net Assets with Donor Restriction	Total
REVENUES			
Grants and Donations	\$ 28	\$ -482,866	\$ 482,914
Member Contributions	116,927	485,277	602,204
Corporate Contributions	13,395	672,444	685,839
Sponsorships	24,000	227,621	251,621
Release from Restrictions	<u>2,599,487</u>	<u>(2,599,487)</u>	-
Total ANDF	<u>2,753,837</u>	<u>(731,259)</u>	<u>2,022,578</u>
EXPENSES			
Personnel	895,391	-	895,391
Travel	131,611	-	131,611
Professional Fees	208,027	-	208,027
Postage and Mailing Service	3,993	-	3,993
Office Supplies and Equipment	2,438	-	2,438
Rent and Utilities	65,216	-	65,216
Telephone and Communications	19,732	-	19,732
Computer Expense	25,899	-	25,899
Insurance	18,396	-	18,396
Depreciation	13,175	-	13,175
Bank and Trust Fees	152,105	-	152,105
Other	55,273	-	55,273
Meeting Services	167,892	-	167,892
Legal and Audit	3,155	-	3,155
Printing	1,137	-	1,137
Scholarships and Awards	<u>1,539,207</u>	<u>-</u>	<u>1,539,207</u>
Total ANDF	<u>3,302,647</u>	<u>-</u>	<u>3,302,647</u>
Decrease in Net Assets from Operating Activities before Other Items	<u>(548,810)</u>	<u>(731,259)</u>	<u>(1,280,069)</u>
Return on Investments	<u>683,055</u>	<u>-2,535,939</u>	<u>3,218,994</u>
Increase in Net Assets	<u>\$ 134,245</u>	<u>\$ 1,804,680</u>	<u>\$ 1,938,925</u>