

SOCIETY FOR PUBLIC HEALTH EDUCATION

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2024

TABLE OF CONTENTS

| Description | Pages |
|---|--------------|
| Independent Auditors' Report | 1 – 3 |
| Statement of Financial Position | 4 |
| Statement of Activities | 5 |
| Statement of Functional Expenses | 6 |
| Statement of Cash Flows | 7 |
| Notes to Financial Statements | 8 – 20 |
| Supplemental Schedule of Indirect Cost Rate | 21 |
| Supplemental Schedule of Total Costs | 22 |

6903 Rockledge Drive
Suite 300
Bethesda, MD 20817
301-564-3636



1960 Gallows Road
Suite 340
Vienna, VA 22182
703-506-9700

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Society for Public Health Education

Opinion

We have audited the accompanying financial statements of Society for Public Health Education (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Society for Public Health Education as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Society for Public Health Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Society for Public Health Education's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Society for Public Health Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Society for Public Health Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Society for Public Health Education's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of indirect cost rate and total costs are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules of indirect cost rate and total costs are fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland
October 20, 2025

SOCIETY FOR PUBLIC HEALTH EDUCATION
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Comparative Totals for 2023)

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------------|--------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 19,949 | \$ 28,507 |
| Accounts and grants receivable | 82,050 | 117,187 |
| Investments | 1,916,585 | 2,047,418 |
| Prepaid expenses | 69,334 | 58,584 |
| Deposits | - | 7,206 |
| Property and equipment, net | 55,450 | 119,432 |
| Operating lease right-of-use asset, net | <u>402,092</u> | <u>295,884</u> |
| Total assets | <u><u>\$ 2,545,460</u></u> | <u><u>\$ 2,674,218</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Line of credit | \$ 386,503 | \$ 177,200 |
| Accounts payable and accrued expenses | 204,283 | 185,101 |
| Accrued salaries and benefits | 54,183 | 48,596 |
| Deferred revenue | 159,545 | 146,988 |
| Operating lease liability | <u>408,452</u> | <u>170,027</u> |
| Total liabilities | <u>1,212,966</u> | <u>727,912</u> |
| Net assets | | |
| Without donor restrictions | 954,611 | 1,583,196 |
| With donor restrictions | <u>377,883</u> | <u>363,110</u> |
| Total net assets | <u>1,332,494</u> | <u>1,946,306</u> |
| Total liabilities and net assets | <u><u>\$ 2,545,460</u></u> | <u><u>\$ 2,674,218</u></u> |

The accompanying notes are an integral part of these financial statements.

SOCIETY FOR PUBLIC HEALTH EDUCATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
(With Comparative Totals for 2023)

| | Without Donor Restrictions | With Donor Restrictions | 2024 Total | 2023 Total |
|--|-------------------------------|----------------------------|---------------------|---------------------|
| Support and revenue | | | | |
| Contributions and support | \$ 303,227 | \$ - | \$ 303,227 | \$ 282,980 |
| Federal grants | 73,714 | - | 73,714 | 852,063 |
| Membership dues | 156,750 | - | 156,750 | 167,633 |
| Exhibits and meeting registration | 330,045 | - | 330,045 | 320,909 |
| Publications | 150,580 | - | 150,580 | 75,387 |
| Royalty income | 401,696 | - | 401,696 | 364,367 |
| Other program services | 25,831 | - | 25,831 | - |
| Net assets released from restrictions | 15,246 | (15,246) | - | - |
| Total support and revenue | <u>1,457,089</u> | <u>(15,246)</u> | <u>1,441,843</u> | <u>2,063,339</u> |
| Expenses | | | | |
| Program | | | | |
| Health promotion | 56,750 | - | 56,750 | 584,958 |
| Health education | 112,340 | - | 112,340 | 82,850 |
| Journal publications | 164,995 | - | 164,995 | 128,755 |
| Meetings | 450,775 | - | 450,775 | 477,175 |
| Total program | <u>784,860</u> | <u>-</u> | <u>784,860</u> | <u>1,273,738</u> |
| Supporting services | | | | |
| Management and general | 1,029,595 | - | 1,029,595 | 888,503 |
| Fundraising and membership development | 265,743 | - | 265,743 | 199,409 |
| Total supporting services | <u>1,295,338</u> | <u>-</u> | <u>1,295,338</u> | <u>1,087,912</u> |
| Total expenses | <u>2,080,198</u> | <u>-</u> | <u>2,080,198</u> | <u>2,361,650</u> |
| Change in operating net assets | (623,109) | (15,246) | (638,355) | (298,311) |
| Other income | 5,556 | - | 5,556 | 246,381 |
| Investment income | 114,825 | 30,019 | 144,844 | 240,571 |
| Other expense | (125,857) | - | (125,857) | - |
| | <u>(5,476)</u> | <u>30,019</u> | <u>24,543</u> | <u>486,952</u> |
| Change in net assets | (628,585) | 14,773 | (613,812) | 188,641 |
| Net assets, beginning of year | <u>1,583,196</u> | <u>363,110</u> | <u>1,946,306</u> | <u>1,757,665</u> |
| Net assets, end of year | <u>\$ 954,611</u> | <u>\$ 377,883</u> | <u>\$ 1,332,494</u> | <u>\$ 1,946,306</u> |

The accompanying notes are an integral part of these financial statements.

SOCIETY FOR PUBLIC HEALTH EDUCATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024
(With Comparative Totals for 2023)

| | Program Services | | | | | Supporting Services | | | | |
|------------------------------|---------------------|---------------------|-------------------------|-------------------|------------------------------|---------------------------|--|---------------------------------|---------------------|---------------------|
| | Health Promotion | Health Education | Journal Publications | Meetings | Total Program Services | Management and General | Fundraising and Membership Development | Total Supporting Services | 2024 Total | 2023 Total |
| Salaries and benefits | \$ 14,568 | \$ 51,424 | \$ 41,253 | \$ 105,080 | \$ 212,325 | \$ 580,690 | \$ 173,917 | \$ 754,607 | \$ 966,932 | \$ 875,178 |
| Professional fees | 16,350 | 28,416 | 97,958 | 175,590 | 318,314 | 152,197 | 13,458 | 165,655 | 483,969 | 854,910 |
| Office supplies and expenses | 948 | 3,347 | 2,685 | 6,839 | 13,819 | 37,796 | 11,320 | 49,116 | 62,935 | 76,444 |
| Space and equipment rental | 2,887 | 10,191 | 8,175 | 20,823 | 42,076 | 115,074 | 34,465 | 149,539 | 191,615 | 177,219 |
| Printing | - | 7,454 | 4,589 | 9,772 | 21,815 | 1,860 | 2,850 | 4,710 | 26,525 | 51,472 |
| Postage and delivery | - | - | 56 | 3,659 | 3,715 | 111 | 138 | 249 | 3,964 | 3,199 |
| Telecommunications | 255 | 899 | 721 | 1,836 | 3,711 | 10,146 | 3,039 | 13,185 | 16,896 | 18,500 |
| Depreciation/Amortization | 1,742 | 6,149 | 4,933 | 12,565 | 25,389 | 69,436 | 20,796 | 90,232 | 115,621 | 44,361 |
| Interest expense | - | - | - | - | - | 17,384 | - | 17,384 | 17,384 | 2,200 |
| Travel | - | 2,010 | 1,625 | 17,474 | 21,109 | 20,886 | 2,620 | 23,506 | 44,615 | 71,615 |
| Scholarships, Fellowships | 20,000 | 2,450 | 3,000 | - | 25,450 | 20,296 | - | 20,296 | 45,746 | 67,400 |
| Production costs | - | - | - | 97,137 | 97,137 | 3,319 | 3,140 | 6,459 | 103,596 | 118,942 |
| Miscellaneous | - | - | - | - | - | 400 | - | 400 | 400 | 210 |
| Total expenses | <u>\$ 56,750</u> | <u>\$ 112,340</u> | <u>\$ 164,995</u> | <u>\$ 450,775</u> | <u>\$ 784,860</u> | <u>\$ 1,029,595</u> | <u>\$ 265,743</u> | <u>\$ 1,295,338</u> | <u>\$ 2,080,198</u> | <u>\$ 2,361,650</u> |

The accompanying notes are an integral part of these financial statements.

SOCIETY FOR PUBLIC HEALTH EDUCATION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024
(With Comparative Totals for 2023)

| | 2024 | 2023 |
|---|--------------|------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (613,812) | \$ 188,641 |
| Reconciling adjustments | | |
| Depreciation and amortization | 115,622 | 44,360 |
| Unrealized and realized investment gain | (42,683) | (159,757) |
| Amortization of operating lease right-of-use asset | 305,700 | 371,046 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 35,137 | 10,676 |
| Deposits and other | (3,544) | 7,518 |
| Accounts payable and accrued expenses | 19,182 | 49,369 |
| Accrued salaries and benefits | 5,587 | (69,298) |
| Deferred revenue | 12,557 | 20,428 |
| Operating lease liability | (173,483) | (732,062) |
| Net cash used in operating activities | (339,737) | (269,079) |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (51,640) | - |
| Proceeds from sale of investments | 300,997 | 101,331 |
| Purchases of investments | (127,481) | (134,142) |
| Net cash provided by (used in) investing activities | 121,876 | (32,811) |
| Cash flows from financing activities | | |
| Proceeds from line of credit | 209,303 | 177,200 |
| Net cash provided by financing activities | 209,303 | 177,200 |
| Net decrease in cash and cash equivalents | (8,558) | (124,690) |
| Cash and cash equivalents, beginning of year | 28,507 | 153,197 |
| Cash and cash equivalents, end of year | \$ 19,949 | \$ 28,507 |
| Supplemental disclosure of cash flow information: | | |
| Operating lease liability of \$411,908 resulted from obtaining right-of-use asset recorded on November 1, 2024. | | |
| Interest paid on line of credit | \$ 16,106 | \$ 910 |

The accompanying notes are an integral part of these financial statements.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

1. Organization

The Society for Public Health Education (the Society) is a 501(c)(3) educational, charitable membership organization founded in 1950 to support leaders in health education and promotion to advance healthy and equitable communities across the globe.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Society have been prepared in accordance with U.S. generally accepted accounting principles, which require the Society to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Society. These net assets may be used at the discretion of the Society's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Society's ongoing services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentrations of Risk

Cash deposits regularly exceed federally insured limits. Management, however, does not consider this a significant concentration of credit risk. The Society has not experienced any losses in such accounts.

The Society was partially funded by grants from the U.S. Government; a reduction in funding from the U.S. Government would have an impact on the operations of the Society. Revenue from U.S. Government grants for the year ended December 31, 2024 was approximated 5% of total revenue.

Income Taxes

The Society is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income, if any. However, tax years ended December 31, 2021 through 2023, remain open to examination by the taxing jurisdictions to which the Society is subject, and they have not been extended beyond the applicable statute of limitations.

Uncertainty in Income Taxes

The Society has a process in place to ensure the maintenance of its exempt-status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Society has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at estimated fair value based on quoted market prices provided by the investment custodians. Purchases and sales of securities are recorded on a trade-date basis. Investment income, including unrealized gains or losses, is reported in the statement of activities as increases or decreases in unrestricted net assets, unless otherwise restricted by the donor or by law.

Property and Equipment

The Society capitalizes all property and equipment purchased with non-Federal funds with a cost of \$1,500 or more. Property and equipment are carried at original cost or estimated fair value at date of donation, if donated. Property and equipment purchased under federal government contracts and grants, subject to reversion to the federal government, are expensed as contract costs. Maintenance and repairs are expensed as incurred. Significant renewals and betterments are capitalized.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets or lease term, as follows:

| | |
|-------------------------|-----------|
| Equipment and furniture | 3-5 years |
| Website | 3-5 years |
| Leasehold improvements | 10 years |

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services directly benefited, or based upon management's estimates of the proportion of these costs applicable to each function.

Revenue Recognition

A portion of the Society's revenue is derived from cost-reimbursable federal grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Society has incurred expenditures in compliance with specific contract or grant provisions. Receivables related to grants awards are recorded to the extent unreimbursed expenses have been incurred for the purposes specified by an approved grant. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions received and unconditional promises to give are measured at their fair values and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Membership dues are used to cover the costs of member services and recognized ratably over the membership period, which is generally one year. Unearned membership dues are recorded as deferred revenue. Meeting registration fees received in advance are deferred and recognized when the related meeting is held. Royalties are recognized as earned in accordance with the terms of the Society's contracts with its publisher.

Comparative Information

The statement of activities includes certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Reclassifications

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

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

2. Summary of Significant Accounting Policies (continued)

Endowment Funds

Endowment gifts are recognized as support when received. The principal amount of the gift is maintained intact. Investment income on endowments is recognized as an increase in net assets without restrictions, unless the income is restricted by donor or law and such restrictions have not been met in the same fiscal year. The Society follows the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) reporting. The required expanded disclosures are included in Note 9.

Leases

At lease inception, the Society determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the financial statements. ROU assets represent the Society’s right to use leased assets over the term of the lease. Lease liabilities represent the Society’s contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments owed over the life of the lease. The Society uses the rate implicit in the lease if it is determinable. When the implicit rate is not determinable, the Society uses the incremental borrowing rate on the commencement date of the lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent that they are reasonably certain to be exercised. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Factors considered in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of any leasehold improvements, the value of renewal rates compared to market rates, and the presence of factors that would cause significant economic penalty to the Society if the option were not exercised. Lease expense is recognized on a straight-line basis over the lease term. The Society has elected not to recognize an ROU asset and obligation for leases with an initial term of 12 months or less.

Subsequent Events

Management has evaluated subsequent events through October 20, 2025, the date which the financial statements were available to be issued.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

3. Availability and Liquidity

The following reflects the Society's financial assets at December 31, 2024 and 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions or internal designations. Amount not available include amounts set aside for long-term investing in operating and capital reserves that could be drawn upon if the governing board approves that action.

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Financial assets at year end | | |
| Cash and cash equivalents | \$ 19,949 | \$ 28,507 |
| Accounts and grants receivable | 82,050 | 117,187 |
| Investments | <u>1,916,585</u> | <u>2,047,418</u> |
| Total financial assets | 2,018,584 | 2,193,112 |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | 377,883 | 363,110 |
| Board designated | <u>1,134,333</u> | <u>1,077,347</u> |
| | <u>1,512,216</u> | <u>1,440,457</u> |
| Financial assets available to meet cash needs for | | |
| general expenditures within one year | <u>\$ 506,368</u> | <u>\$ 752,655</u> |

The Society's goal is generally to maintain financial assets to meet four months of operating expenses. As part of the Society's liquidity plan, excess cash is invested in short-term investments. The Society has a liquidity access line of credit available to meet cash flow needs (Note 8).

4. Accounts and Grants Receivable

Accounts receivable at December 31, 2024 and 2023, consist of the following:

| | <u>2024</u> | <u>2023</u> |
|----------------------------------|------------------|-------------------|
| Publication royalties receivable | \$ 82,050 | \$ 96,287 |
| Other receivables | <u>-</u> | <u>20,900</u> |
| Total receivables | <u>\$ 82,050</u> | <u>\$ 117,187</u> |

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

4. Accounts and Grants Receivable (continued)

All account receivables are expected to be received within one year. Management periodically evaluates accounts receivable for collectability. Allowances for credit losses are recorded as needed based on these evaluations. There was no allowance recorded as of December 31, 2024 and 2023.

5. Deferred Revenue

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2024 and 2023:

| | Membership | Meetings | Publication Supplements | Other | Total |
|---|------------------|------------------|----------------------------|------------------|-------------------|
| Deferred revenue, December 31, 2022 | \$ 89,045 | \$ 16,515 | \$ 21,000 | \$ - | \$ 126,560 |
| Revenue recognized included in deferred revenue at the beginning of year | (160,133) | (16,515) | (21,000) | - | (197,648) |
| Increase in deferred revenue from cash received during the period | <u>150,780</u> | <u>5,940</u> | <u>45,000</u> | <u>16,356</u> | <u>218,076</u> |
| Deferred revenue, December 31, 2023 | 79,692 | 5,940 | 45,000 | 16,356 | 146,988 |
| Revenue recognized included in deferred revenue at the beginning of year | (151,750) | (5,940) | (45,000) | (16,356) | (219,046) |
| Increase in deferred revenue from cash received during the period | <u>149,808</u> | <u>71,295</u> | <u>-</u> | <u>10,500</u> | <u>231,603</u> |
| Deferred revenue, December 31, 2024 | <u>\$ 77,750</u> | <u>\$ 71,295</u> | <u>\$ -</u> | <u>\$ 10,500</u> | <u>\$ 159,545</u> |

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

6. Fair Value Measurements and Disclosures

The Society records its investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standards emphasize that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

As a basis for considering market participant assumptions in fair value measurements, the standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within Level 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value levels are as follows:

- *Level 1:* Inputs that utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Society has the ability to access at the measurement date.
- *Level 2:* Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- *Level 3:* Inputs that are unobservable for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Society's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the years ended December 31, 2024 and 2023, there were no significant transfers in or out of levels 1, 2, or 3.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

6. Fair Value Measurements and Disclosures (continued)

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at December 31, 2024 and 2023:

| <u>December 31, 2024</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------------------|---------------------|---------------------|----------------|----------------|
| Mutual funds - bonds | \$ 902,841 | \$ 902,841 | \$ - | \$ - |
| Mutual funds - equity | 998,760 | 998,760 | - | - |
| Exchange trade funds | <u>14,864</u> | <u>14,864</u> | <u>-</u> | <u>-</u> |
| Investments carried at fair value | 1,916,465 | <u>\$ 1,916,465</u> | <u>\$ -</u> | <u>\$ -</u> |
| Money market funds - at cost | <u>120</u> | | | |
| Total | <u>\$ 1,916,585</u> | | | |

| <u>December 31, 2023</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------------------|---------------------|---------------------|----------------|----------------|
| Mutual funds - bonds | \$ 1,000,719 | \$ 1,000,719 | \$ - | \$ - |
| Mutual funds - equity | 1,034,503 | 1,034,503 | - | - |
| Exchange trade funds | <u>12,110</u> | <u>12,110</u> | <u>-</u> | <u>-</u> |
| Investments carried at fair value | 2,047,332 | <u>\$ 2,047,332</u> | <u>\$ -</u> | <u>\$ -</u> |
| Money market funds - at cost | <u>86</u> | | | |
| Total | <u>\$ 2,047,418</u> | | | |

The following is a description of the valuation methodologies used for investments measured at fair value:

- *Mutual funds*: Valued at net asset value of shares held by the Society at year-end.
- *Exchange traded funds*: Valued using quoted prices on active markets.

The Society's investments are exposed to various risks, such as interest rate and market fluctuations. Due to the level of risk associated with investment securities, changes in the values of investment securities will occur in the near term, and such changes could materially affect the Society's financial position.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

7. Property and Equipment

Property and equipment as of December 31, 2024 and 2023, are comprised of the following:

| | <u>2024</u> | <u>2023</u> |
|---|------------------|-------------------|
| Furniture and equipment | \$ 42,770 | \$ 42,770 |
| Website | 126,351 | 107,300 |
| Leasehold improvements | <u>32,588</u> | <u>297,705</u> |
| | 201,709 | 447,775 |
| Accumulated depreciation and amortization | <u>(146,259)</u> | <u>(328,343)</u> |
| Property and equipment, net | <u>\$ 55,450</u> | <u>\$ 119,432</u> |

Depreciation and amortization expense for the year ended December 31, 2024, was \$115,622.

Due to the early termination of the lease agreement for the property located at 10 G Street, N.E., Washington, D.C., which ended in November 2024, the leasehold improvements—originally scheduled to be amortized through November 2027—were fully amortized as of November 2024. As a result, amortization expense increased by approximately \$73,600 for the fiscal year ended December 31, 2024.

8. Line of Credit

The Society maintained a liquidity access line of credit, which allows borrowings of up to certain percentage of the Society's available investment balance up to a maximum of \$900,000. Borrowings under the line bear interest at a variable rate index, as determined by Morgan Stanley Bank, plus an applicable interest spread. The line of credit is collateralized by the Society's investments with Morgan Stanley Bank. As of December 31, 2024 and 2023, the outstanding balance on the line of credit balances were \$386,503 and \$177,200, respectively.

9. Endowment Funds

As of December 31, 2024 and 2023, the Society's endowment consists of funds established to be maintained in perpetuity. As such, the corpus of the endowment and investment income earned on the endowment are classified as net assets with donor restrictions.

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

9. Endowment Funds (continued)

The Board of the Society has interpreted the State Prudent Management of Institutional Funds Act (the Act) 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 Society classifies the original value of gifts donated as net assets with donor restriction and retain as a fund of perpetual duration. The remaining portion of the donor-restricted endowment classified net assets with donor restriction until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence described by the Act.

Interpretation of Relevant Law

In accordance with the Act, the Society 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 purposes of the Society's and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of the investments;
- (6) Other resources of the Society; and
- (7) The investment policies of the Society.

Spending Policy

The Society currently appropriates funds for the distribution of program support activities based upon the demand for these activities and on the availability of funds during the given year. The Society appropriated \$7,571 of the fund during 2024.

Risk Parameter

The endowment is administered by an outside professional investment firm and invested in a well-diversified asset mix to maximize return. The Society's treasurer meets at least annually with representatives of that investment firm to discuss performance, current allocations, and suggestions for future allocations, always with the objective of selecting investment vehicles that are at an appropriate level of risk for a non-profit institution.

The following table represents the changes in endowment net assets with donor restrictions for the year ended December 31, 2024:

| | |
|-------------------------------------|-------------------|
| Endowment assets, December 31, 2023 | \$ 338,263 |
| Investment gain | 27,870 |
| Transferred to operating fund | (7,500) |
| Appropriated expenditure | <u>(7,571)</u> |
| Endowment assets, December 31, 2024 | <u>\$ 351,062</u> |

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

10. Net Assets

Net Assets with donor restrictions at December 31, 2024 and 2023, are comprised of the following:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|-------------------|-------------------|
| Endowment: | | |
| Program restricted | \$ 251,062 | \$ 238,263 |
| Restricted in perpetuity | 100,000 | 100,000 |
| Other: | | |
| Program restricted | <u>26,821</u> | <u>24,847</u> |
| Total | <u>\$ 377,883</u> | <u>\$ 363,110</u> |

Net assets with donor restrictions released from restrictions due to the satisfaction of purpose and time stipulations totaled \$15,246 during 2024.

Endowment assets at December 31, 2024 and 2023, included an endowment fund established in 1999 to support scholarships for graduate or undergraduate study in the field of public health education. The fund was established with a contribution of \$100,000 received from the estate of Vivian Drenckhahn.

Net assets without donor restrictions as of December 31, 2024 and 2023, are comprised of the following:

| | <u>2024</u> | <u>2023</u> |
|------------------|-------------------|---------------------|
| Board designated | \$ 1,134,333 | \$ 1,077,347 |
| Undesignated | <u>(179,722)</u> | <u>505,849</u> |
| Total | <u>\$ 954,611</u> | <u>\$ 1,583,196</u> |

As of December 31, 2024, the Society reported a deficit in undesignated net assets without donor restrictions. However, this deficit was offset by board-designated net assets set aside for long-term purposes, resulting in a positive overall balance in net assets without donor restrictions.

11. Pension Plan

The Society sponsors a 401(k) plan (the Plan) for all employees who meet the eligibility requirements. Under the provisions of the Plan, full-time employees are eligible to participate at the date of hire, subject to age limitations. The Plan provides for employee voluntary contributions and employer matching contributions. The employer match is currently 100% of employee contributions up to 3% of compensation, plus 50% of elective deferrals that exceeds 3% of compensation but does not exceed 4% of compensation for the Plan year. Pension expense for the year ended December 31, 2024, was \$33,927

SOCIETY FOR PUBLIC HEALTH EDUCATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(With Comparative Totals for 2023)

12. Related Parties

The Society has no economic interest and control nor has controlling financial interest on its chapters. Therefore, the chapters' activities are not consolidated with the Society's financial statements.

13. Commitments and Contingencies

Government Audits

The Society receives funding through contracts and grants with departments and agencies of the Federal government that are subject to compliance audits by the grantors or their representatives. The disallowance of costs could adversely affect the Society's financial condition. Management believes that adjustments, if any, by government auditors for prior years will not be material to the financial statements.

Operating Leases

The Society previously leased office space under an agreement originally expiring on November 30, 2027. In November 2023, it exercised an early termination option, shortening the lease term to end on November 30, 2024. During July 2024, SOPHE entered into an new operating office lease agreement from Nov 1, 2024 through May 31, 2032. The leases provide base rentals with annual escalations and adjustments for increased operating expenses and real estate taxes. Total rent payments are recognized as rent expense on a straight-line basis over the lease term.

Future minimum lease commitments as of December 31, 2024, are as follows:

| | | |
|-------------------------------|----|-----------------------|
| Year ending December 31, 2025 | \$ | 31,651 |
| 2026 | | 77,554 |
| 2027 | | 79,679 |
| 2028 | | 81,875 |
| 2029 and thereafter | | <u>297,267</u> |
| | | 568,026 |
| Less: imputed interest | | <u>(159,574)</u> |
| | \$ | <u><u>408,452</u></u> |

The remaining lease term related to the operating lease was 89 months and the discount rate to the Society's operating lease was 8.3% as of December 31, 2024.

There were no material restrictions or covenants imposed and the Society has no related party leases at December 31, 2024.

SOCIETY FOR PUBLIC HEALTH EDUCATION
SUPPLEMENTAL SCHEDULE OF INDIRECT COST RATE
Year Ended December 31, 2024

| | <u>Direct Costs</u> | <u>Adjustment</u> | <u>Adjusted Balance</u> |
|--|-------------------------|-------------------------|-----------------------------|
| Direct Costs: | | | |
| Health promotion | \$ 56,750 | \$ (20,000) (A) | \$ 36,750 |
| Health education | 112,340 | (2,450) (A) | 109,890 |
| Journal publications | 164,995 | (3,000) (A) | 161,995 |
| Meetings | 450,775 | - | 450,775 |
| Fundraising and membership development | <u>265,743</u> | <u>-</u> | <u>265,743</u> |
| Total direct costs | <u>\$ 1,050,603</u> | <u>\$ (25,450)</u> | <u>\$ 1,025,153</u> |
| Rate: | | | |
| Total indirect costs | | \$ 1,029,595 | |
| Adjustment | | <u>(20,296) (A)</u> | |
| Indirect costs, Adjusted | | <u>\$ 1,009,299</u> | |
| Total direct costs, adjusted | | <u>\$ 1,025,153</u> | |
| Rate | | 98.5% | |

(A) Removal of scholarships/ awards/ fellowships costs

SOCIETY FOR PUBLIC HEALTH EDUCATION
SUPPLEMENTAL SCHEDULE OF TOTAL COSTS
Year Ended December 31, 2024

| | Program Services | | | | | Supporting Services | | | | |
|------------------------------|---------------------|---------------------|-------------------------|-------------------|------------------------------|---------------------------|--|---------------------------------|--------------------|---------------------|
| | Health Promotion | Health Education | Journal Publications | Meetings | Total Program Services | Management and General | Fundraising and Membership Development | Total Supporting Services | Adjustments | Total |
| Salaries and benefits | \$ 14,568 | \$ 51,424 | \$ 41,253 | \$ 105,080 | \$ 212,325 | \$ 580,690 | \$ 173,917 | \$ 754,607 | \$ - | \$ 966,932 |
| Professional fees | 16,350 | 28,416 | 97,958 | 175,590 | 318,314 | 152,197 | 13,458 | 165,655 | - | 483,969 |
| Office supplies and expense: | 948 | 3,347 | 2,685 | 6,839 | 13,819 | 37,796 | 11,320 | 49,116 | - | 62,935 |
| Space and equipment rental | 2,887 | 10,191 | 8,175 | 20,823 | 42,076 | 115,074 | 34,465 | 149,539 | - | 191,615 |
| Printing | - | 7,454 | 4,589 | 9,772 | 21,815 | 1,860 | 2,850 | 4,710 | - | 26,525 |
| Postage and delivery | - | - | 56 | 3,659 | 3,715 | 111 | 138 | 249 | - | 3,964 |
| Telecommunications | 255 | 899 | 721 | 1,836 | 3,711 | 10,146 | 3,039 | 13,185 | - | 16,896 |
| Depreciation/Amortization | 1,742 | 6,149 | 4,933 | 12,565 | 25,389 | 69,436 | 20,796 | 90,232 | - | 115,621 |
| Interest expense | - | - | - | - | - | 17,384 | - | 17,384 | - | 17,384 |
| Travel | - | 2,010 | 1,625 | 17,474 | 21,109 | 20,886 | 2,620 | 23,506 | - | 44,615 |
| Scholarships, Fellowships | 20,000 | 2,450 | 3,000 | - | 25,450 | 20,296 | - | 20,296 | (45,746) | - |
| Production costs | - | - | - | 97,137 | 97,137 | 3,319 | 3,140 | 6,459 | - | 103,596 |
| Miscellaneous | - | - | - | - | - | 400 | - | 400 | - | 400 |
| Total expenses | <u>\$ 56,750</u> | <u>\$ 112,340</u> | <u>\$ 164,995</u> | <u>\$ 450,775</u> | <u>\$ 784,860</u> | <u>\$ 1,029,595</u> | <u>\$ 265,743</u> | <u>\$ 1,295,338</u> | <u>\$ (45,746)</u> | <u>\$ 2,034,452</u> |