

**MISSISSIPPI SPEECH-LANGUAGE
HEARING ASSOCIATION, INC.**

FINANCIAL STATEMENTS

Year Ended December 31, 2016

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Mississippi Speech-Language-Hearing Association, Inc.
Jackson, Mississippi

We have reviewed the accompanying financial statements of Mississippi Speech-Language-Hearing Association, Inc. (a non-profit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2016, and the related statement of revenues, expenses, and other changes in net assets – modified cash basis, and the statement of cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

To the Board of Directors
Mississippi Speech-Language-Hearing Association, Inc.
Jackson, Mississippi

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Tops McWhorter Harvey, PCC
Hattiesburg, Mississippi
September 28, 2017

FINANCIAL STATEMENTS

EXHIBIT A

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
DECEMBER 31, 2016**

ASSETS

ASSETS

Cash	\$	35,527
Certificates of deposit		33,748
Investments		61,775
Other assets		1,500
		<hr/>
Total assets	\$	132,550
		<hr/> <hr/>

LIABILITIES AND NET ASSETS

LIABILITIES

\$ -

NET ASSETS

Net assets, unrestricted		132,550
Total net assets		132,550
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Total liabilities and net assets	\$	132,550
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EXHIBIT B

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

**STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES
IN NET ASSETS – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>
SUPPORT AND REVENUES	
Conference revenues	\$ 135,845
Membership fees	27,280
Contributions	2,700
Interest income	100
Unrealized gain on securities available - for- sale	814
Total support and revenues	<u>166,739</u>
EXPENSES	
Program services:	
Conference	90,548
Membership	6,355
Legislation	18,025
Scholarships	700
Total program services	<u>115,628</u>
Support services:	
Management and general	44,609
Total management and general	<u>44,609</u>
Total expenses	<u>160,237</u>
CHANGE IN NET ASSETS	6,502
NET ASSETS, January 1	<u>126,048</u>
NET ASSETS, December 31	<u>\$ 132,550</u>

See accountants' review report and accompanying notes to financial statements.

EXHIBIT C

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from programs	\$ 163,125
Cash received from contributions	2,700
Cash disbursed for program services	(115,628)
Cash disbursed for support services	(46,109)
Total cash provided by operating activities	<u>4,088</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in certificates of deposit	73,629
Increase in investments	(60,961)
Total cash provided by investing activities	<u>12,668</u>

INCREASE IN CASH AND CASH EQUIVALENTS

16,756

Cash and cash equivalents, January 1

18,771

Cash and cash equivalents, December 31

\$ 35,527

***RECONCILIATION OF CHANGES IN NET ASSETS TO
NET CASH USED BY OPERATING ACTIVITIES***

Change in net assets	\$ 6,502
Adjustments reconciling decrease in net assets to net cash used by operating activities:	
Unrealized gain on securities available-for-sale	(814)
(Increase) decrease in:	
Interest income	(100)
Other assets	(1,500)
Net cash provided by operating activities	<u>\$ 4,088</u>

NOTES TO FINANCIAL STATEMENTS

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - The Mississippi Speech-Language-Hearing Association, Inc. (Association) is a Mississippi non-profit corporation, whose mission is to promote high standards of qualifications and ethical practice in the professions of speech-language pathology and audiology in Mississippi, to act as an advocate for persons with communicative disorders, and to provide continuing education to its members and others in the pathology and audiology profession. The Association's business is conducted by its executive board that is comprised of the officers of the Association.

Financial Statement Presentation - The financial statements of the Association have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue and the related assets are recorded when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Modifications to the cash basis of accounting include recording investments at fair value.

Income Taxes - The Association is exempt under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6).

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Entities*. Following FASB ASC 958, the Association must report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2016, the Association did not have temporarily or permanently restricted net assets.

Unrestricted - Net assets that are not subject to donor-imposed restrictions. These amounts are available for general obligations of the Association and for operating activities. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Under FASB ASC 958-205, expenses are generally reported as decreases in unrestricted net assets. Restricted contributions that are made in the same year as the restrictions are met are reported as unrestricted contributions. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

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MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

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YEAR ENDED DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue Recognition - The Association records all contributions when received as additions to either restricted or unrestricted net assets. All contributions of cash or other assets are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. The assets are reclassified when the specified use of the funds is fulfilled. The Association's revenue is primarily derived from conference and membership fees.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the company's gains and losses on investments bought and sold as well as held during the year.

In-Kind Contributions - The Association received donated services from speakers for their annual conference. The value of those services has not been recorded.

Subsequent Events - The Association has evaluated events occurring subsequent to year end through September 28, 2017, which is the date the statements were available to be issued. No such events have been identified by the Association for this time period that are required to be recognized or disclosed.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and certificates of deposits held at financial institutions in Mississippi. At December 31, 2016, the Association's deposits were not in excess of Federal Deposit Insurance Corporation (FDIC) insured limits.

NOTE 3 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement* are described as follows:

MISSISSIPPI SPEECH-LANGUAGE-HEARING ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

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YEAR ENDED DECEMBER 31, 2016

NOTE 3 - FAIR VALUE MEASUREMENTS (Cont.)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds - Valued at the daily closing prices as reported by the fund. Mutual funds held by the Company are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the company are deemed to be actively traded.

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NOTES TO FINANCIAL STATEMENTS

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YEAR ENDED DECEMBER 31, 2016

NOTE 3 - FAIR VALUE MEASUREMENTS (Cont.)

The following table sets forth by level, within the fair value hierarchy, the company's assets at fair value as of December 31, 2016.

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 61,775	\$ -	\$ -	\$ 61,775
Total assets at fair value	\$ 61,775	\$ -	\$ -	\$ 61,775

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