

**INTERNATIONAL ASSOCIATION OF  
BUSINESS COMMUNICATORS AND  
THE IABC FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

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DECEMBER 31, 2018 AND 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of the International  
Association of Business Communicators  
San Francisco, California**

We have audited the accompanying consolidated financial statements of International Association of Business Communicators and The IABC Foundation, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, the related consolidated statements of activities and of cash flows for the years then ended, the related consolidated statement of functional expenses for the year ended December 31, 2018, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Executive Board of the International  
Association of Business Communicators  
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**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Association of Business Communicators and The IABC Foundation as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**April 23, 2019**

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 544,074	\$ 279,812
Investments	978,557	1,207,313
Accounts receivable	37,395	44,653
Note receivable, current portion	51,963	98,037
Prepaid expenses	<u>147,212</u>	<u>102,748</u>
Total current assets	1,759,201	1,732,563
<b>NONCURRENT ASSETS:</b>		
Furniture and equipment, net	109,819	8,049
Note receivable, net	<u>                    </u>	<u>51,963</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,869,020</u>	<u>\$ 1,792,575</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 122,383	\$ 134,953
Due to affiliated chapters and regions	52,761	60,031
Accrued expenses	119,088	85,858
Deferred revenue	<u>1,337,193</u>	<u>1,293,551</u>
Total current liabilities	<u>1,631,425</u>	<u>1,574,393</u>
<b>NET ASSETS:</b>		
Without donor restrictions	168,243	148,330
With donor restrictions	<u>69,352</u>	<u>69,852</u>
Total net assets	<u>237,595</u>	<u>218,182</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,869,020</u>	<u>\$ 1,792,575</u>

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

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUES:</b>		
Membership dues	\$ 1,686,382	\$ 1,803,976
Conferences, seminars and awards	2,112,458	1,725,466
Job target advertisting	70,074	70,606
Investment income (loss)	(12,657)	95,368
Certification revenues	57,400	30,100
Royalties	29,992	26,740
Information resources and publications	5,233	10,628
Contributions	4,217	7,238
Other income	1,450	7,860
Net assets released from restrictions	500	500
Total revenues	3,955,049	3,778,482
<b>EXPENSES:</b>		
Program services:		
Education and awards	1,451,796	1,341,211
Membership	679,281	552,118
Chapter relations and development	250,908	284,599
Certification	196,324	205,784
Content and publications	181,946	223,068
Total program services	2,760,255	2,606,780
Supporting services:		
Management and general	928,223	987,485
Executive board	246,658	188,432
Total supporting services	1,174,881	1,175,917
Total expenses	3,935,136	3,782,697
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	19,913	(4,215)
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Net assets released from restrictions	(500)	(500)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	19,413	(4,715)
<b>NET ASSETS, Beginning of Year</b>	218,182	222,897
<b>NET ASSETS, End of Year</b>	\$ 237,595	\$ 218,182

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

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	<b>Program Services</b>				<b>Supporting Services</b>			<b>Total</b>
	<b>Education and Awards</b>	<b>Membership</b>	<b>Chapter Relations and Development</b>	<b>Certification</b>	<b>Content and Publications</b>	<b>Management and General</b>	<b>Executive Board</b>	
Salaries and wages	\$ 263,627	\$ 181,998	\$ 101,645	\$ 89,659	\$ 115,368	\$ 320,522	\$ 120,355	\$ 1,193,174
Professional services	256,132	200,171	15,086	54,229	8,349	288,775	2,421	825,163
Conferences	668,047	1,082	74,895	407		17,575	12,053	774,059
Employee benefits and payroll taxes	64,469	30,287	13,777	26,977	32,640	73,920	22,785	264,855
Bank fees	72,153	145,022	1,172	2,187		16,791	145	237,470
Occupancy	32,140	17,727	10,063	9,764	13,977	25,327	11,100	120,098
Marketing and outreach	3,525	40,230				72,205		115,960
Facilities and equipment rental	17,676	30,797	617	3,120	111	55,315	3,697	111,333
Travel	15,255	5,024	3,947	3,022	1,961	2,929	49,239	81,377
Telecommunications	19,488	5,499	3,135	3,076	4,415	8,063	3,452	47,128
Postage	11,688	6,641	34			9,472	275	28,110
Committee expenses			11,003				14,770	25,773
Dues, publications and subscriptions	6,753	332	376	831	164	12,763	2,258	23,477
Staff development and training		4,474	999	895	778	11,354	196	18,696
Depreciation	4,700	2,550	1,421	1,372	1,943	3,520	1,640	17,146
Supplies	9,633		419	43		1,171	1,111	12,377
Printing and reproduction	2,363	1,304	2,141	742	1,071	2,097	1,161	10,879
Chapter fund development			10,178					10,178
Workshops	2,800	160			1,169	2,719		6,848
Provision for bad debts	1,347	5,983						7,330
Other expenses						3,705		3,705
<b>Total</b>	<b>\$ 1,451,796</b>	<b>\$ 679,281</b>	<b>\$ 250,908</b>	<b>\$ 196,324</b>	<b>\$ 181,946</b>	<b>\$ 928,223</b>	<b>\$ 246,658</b>	<b>\$ 3,935,136</b>

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

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 19,413	\$ (4,715)
Reconciliation to net cash provided by operating activities:		
Depreciation and amortization	17,146	89,564
Net (gain) loss on investments	37,090	(81,136)
Changes in:		
Accounts receivable	7,258	(24,965)
Prepaid expenses	(44,464)	63,000
Accounts payable	(12,570)	58,347
Due to affiliated chapters and regions	(7,270)	29,139
Accrued expenses	33,230	1,622
Deferred revenue	43,642	76,950
Net cash provided by operating activities	<u>93,475</u>	<u>207,806</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments on note receivable	98,037	
Note receivable issued		(109,423)
Purchases of furniture and equipment	(118,916)	(1,319)
Proceeds from sales of investments	260,000	
Purchases of investments	(68,334)	(14,036)
Net cash provided (used) by investing activities	<u>170,787</u>	<u>(124,778)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on line of credit		<u>(100,152)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	264,262	(17,124)
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>279,812</u>	<u>296,936</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u>\$ 544,074</u>	<u>\$ 279,812</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITY:</b>		
Note receivable issued for software refund	<u>\$</u>	<u>\$ 40,577</u>

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



# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

International Association of Business Communicators (IABC) is a global membership association serving multi-disciplinary communication professionals. Its primary focus is to engage communicators at all stages of their careers by providing information and professional development through annual conferences, seminars, webinars and publications, and to build influence and raise awareness of the value of organizational communication inside and outside of the profession.

The IABC Foundation (Foundation) is a non-profit public benefit corporation committed to raising funds for programs that advance business and organizational communication.

**Principles of consolidation** – The accompanying financial statements reflect the consolidation of IABC and the Foundation (collectively, the Association). The IABC Executive Board serves as the Foundation’s Board of Trustees, and therefore controls the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Chapters and regions are separate operating entities and are not controlled by IABC. Therefore, these financial statements do not include the chapters and regions.

**Basis of presentation** – The consolidated financial statements are presented in conformity with professional standards for not-for-profit entities. The Association reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

**Revenue recognition** – Membership dues are recorded as deferred revenue and recognized as unrestricted support and revenues ratably over the membership period, which is one year. The Association's conference, seminars and awards are recognized in the period the related event occurs. Information resources and publication revenue is recognized when items are shipped. Job target advertising is recognized over the advertisement period. Deferred revenue is recorded for the portion of membership dues relating to the subsequent year and when payments are received in advance of the Association's conference, seminars and awards.

Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose.

Donated services and materials are recorded as in-kind donations and recognized at the estimated fair value as of the date of donation.

# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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**Cash and cash equivalents** – For financial statement purposes, the Association considers all investments with an initial maturity of three months or less to be cash equivalents, unless held for long-term purposes. The Association minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Association has not experienced any losses in such accounts and management believes the Association is not exposed to any significant credit risk related to cash.

**Investments** are stated at fair value.

**Accounts receivable** are stated at the amount management expects to collect from outstanding balances. The Association uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific accounts. The Association's accounts receivable are reported net of an allowance for doubtful accounts at December 31, 2018 and 2017, of \$2,649 and \$8,761, respectively.

**Furniture and equipment** are stated at cost and depreciated using the straight-line method over estimated useful lives of three to seven years. The Association's policy is to capitalize such items with a cost of \$500 or more.

**Due to affiliated chapters and regions** – The Association collects dues on behalf of chapters and regions and remits rebates to the respective chapters/regions.

**Income taxes** – IABC is a non-profit corporation under Section 501(c)(6) of the Internal Revenue Code and Section 23701(e) of the California Revenue and Taxation Code and is exempt from federal and state income taxes. The Foundation is a non-profit corporation under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and is exempt from federal and state income taxes. The Association has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the consolidated financial statements. With some exceptions, the Association is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2014.

**Functional allocation of expenses** – The costs of providing the program and supporting services have been summarized on a functional basis in the consolidated statements of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the functional areas based on employees' time incurred and management's estimates of the usage of resources. The expenses that are allocated include salaries, wages and professional services, which are allocated based on time and effort; payroll taxes, employee benefits and insurance, which are allocated based on salaries and wages; and occupancy, printing, telephone, depreciation, office insurance, and IT subscriptions which are allocated based on estimated usage. Bank processing fees and sponsorship consulting fees are allocated based on the relative revenue that is generated.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- |                |   |
|----------------|---|
| Level 1 Inputs | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. |
| Level 2 Inputs | Inputs other than quoted prices in active markets that are observable either directly or indirectly.                        |
| Level 3 Inputs | Unobservable inputs for the asset or liability.   |

**Recent accounting pronouncements** – On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented, with the exception of the statement of functional expenses and the liquidity disclosures, which have not been applied for the year ended December 31, 2017 as allowed by the transition guidance of this ASU.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. Application of this statement is effective for the year ending December 31, 2019. The Association is currently evaluating the impact this pronouncement will have on the financial statements.

**Subsequent events** have been reviewed through April 23, 2019, the date the financial statements were issued. Management concluded that no material subsequent events have occurred since December 31, 2018 that require recognition or disclosure in the financial statements.

**Reclassification** – Certain 2017 amounts have been reclassified to conform to the 2018 financial statement presentation.

# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association's financial assets available within one year of the statement of financial position date for general expenditure are as follows for 2018:

Cash and cash equivalents	\$ 544,074
Investments	978,557
Accounts receivable	37,395
Note receivable	<u>51,963</u>
Total current financial assets	1,611,989
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restrictions by donors for purpose (see Note 7)	(53,352)
Perpetual restrictions (see Note 7)	(16,000)
Amounts due to affiliated chapters and regions	<u>(52,761)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,489,876</u>

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Association invests cash in excess of daily requirements in various short-term investments, including certificate of deposits. As more fully described in Note 8, the Association also has an available line of credit in the amount of \$100,000, which it could draw upon in the event of an unanticipated liquidity need.

### 3. INVESTMENTS

Investments consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Money market	\$ 252,680	\$ 215,848
Certificates of deposit	342,606	341,901
Mutual funds:		
Bond	83,206	86,390
Blend	44,028	83,438
Growth	18,658	27,058
Value	18,176	17,563
Other	2,793	10,511
Exchange-traded funds:		
Value	97,610	215,484
Growth	90,195	160,582
Blend	<u>28,605</u>	<u>48,538</u>
Total	<u>\$ 978,557</u>	<u>\$ 1,207,313</u>

# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

The Association's investments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets for identical assets, with the exception of certificates of deposit, which are classified as Level 2 and valued based on observable inputs such as current interest rates.

Investment income (loss) consists of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 24,433	\$ 14,232
Realized and unrealized gain (loss)	<u>(37,090)</u>	<u>81,136</u>
Total	<u>\$ (12,657)</u>	<u>\$ 95,368</u>

#### 4. NOTE RECEIVABLE

In November 2017, the Association began negotiations with a software vendor to refund the cost of software purchased during 2016 and 2017. In March 2018, the Association and vendor executed a note receivable to refund \$150,000 to the Association over an eighteen month period. The value of the note receivable has been reflected in the consolidated statements of financial position as of December 31, 2018 and 2017 and the cost of the software and service fees reduced accordingly in 2017. The note receivable accrues interest at 10% annually, with quarterly payments scheduled until the note matures on June 1, 2019. The balance at December 31, 2019 of \$51,963 is scheduled to be repaid in 2019.

#### 5. FURNITURE AND EQUIPMENT

At December 31, furniture and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 24,039	\$ 19,930
Office furniture		35,771
Website development and software	<u>241,529</u>	<u>134,263</u>
Subtotal	265,568	189,964
Less accumulated depreciation	<u>(155,749)</u>	<u>(181,915)</u>
Total	<u>\$ 109,819</u>	<u>\$ 8,049</u>

**INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS  
AND THE IABC FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**6. DEFERRED REVENUE**

At December 31, deferred revenue consisted of the following:

	<u>2018</u>	<u>2017</u>
Dues	\$ 907,445	\$ 905,027
Conferences/ seminars	<u>429,748</u>	<u>388,524</u>
	<u>\$ 1,337,193</u>	<u>\$ 1,293,551</u>

**7. NET ASSETS**

At December 31, net assets with donor restrictions are restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Purpose restrictions:		
Profile Part II Research Study	\$ 22,369	\$ 22,369
Communication in Corporate Citizenship	15,003	15,003
Wittmer Memorial Fund	7,766	7,766
Sharon Berzok Memorial Lecture	4,259	4,759
Sponsorship	<u>3,955</u>	<u>3,955</u>
Total purpose restrictions	53,352	53,852
Perpetual restrictions:		
Millennium Fund Endowment	<u>16,000</u>	<u>16,000</u>
Total	<u>\$ 69,352</u>	<u>\$ 69,852</u>

The Association's Millennium Fund Endowment is invested in money market funds. The investment policy of the Association has been to maintain principal in risk-free funds while the endowment achieves the size required to provide meaningful income for Foundation sponsored programs. The endowment is considered perpetually restricted with income available to fund projects for the Association. There is no formal spending policy due to the small size of the endowment. All income earned has been spent on research.

IABC's Board of Directors has designated its net assets without donor restrictions as its Operating Reserve Fund with the goal of accumulating a minimum of three months (25%) to four months (33%) of current-year budgeted expenses. The primary purpose of the Operating Reserve Fund is to maintain the Association's financial strength, while providing financial reserves for unforeseen future contingencies.

# INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS AND THE IABC FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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### 8. LINE OF CREDIT

The Association has a revolving line of credit with City National Bank for \$100,000 that matures on November 3, 2019. Interest accrues at 2.50% and is payable monthly with the unpaid principal payable upon maturity. The line of credit is collateralized by one of the Association's certificates of deposit. There was no outstanding balance at December 31, 2018 or 2017.

### 9. COMMITMENTS

#### Office lease

The Association leased office space in San Francisco under an operating lease which expired in January 2019 and was not renewed. Rent expense under this lease totaled \$89,337 and \$85,787 in 2018 and 2017, respectively. The remaining minimum lease payments required in 2019 are \$7,186.

#### Other commitments

The Association has entered into agreements with numerous facilities to hold conferences and training sessions that extend out through June 2021. The agreements provide for cancellation fees, and in some cases a deposit is at risk. As the date of the scheduled event gets closer, the cancellation fees increase. At December 31, 2018, the Association has approximately \$2,500,000 in financial commitments under these contracts if events are cancelled and rooms remain unbooked. The Association obtains cancellation insurance for the larger events which generally provides compensation to the Association if cancellation is caused by circumstances beyond the control of the Association.

### 10. RETIREMENT PLAN

The Association has a 401(k) Plan available to employees after three months of service. Eligible employees are permitted to contribute a percentage of gross salary subject to certain Internal Revenue Service limitations, and the Association matches the employee contribution up to 5% of gross salary. For the years ended December 31, 2018 and 2017, contributions by the Association to the plan were \$30,279 and \$28,251, respectively.