

**EASTERN ASSOCIATION OF COLLEGE  
AND UNIVERSITY BUSINESS OFFICERS**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
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YEARS ENDED DECEMBER 31, 2017 AND 2016**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Eastern Association of College and University Business Officers  
Washington, D.C.

We have audited the accompanying financial statements of Eastern Association of College and University Business Officers (EACUBO), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors' 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.

***Opinion***

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of EACUBO as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

The 2016 financial statements of EACUBO were audited by other auditors whose report, dated June 20, 2017, expressed an unmodified opinion on those financial statements.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Arlington, Virginia  
June 14, 2018

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016**

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Cash and Cash Equivalents  | \$ 437,028          | \$ 661,098          |
| Investments  | 878,566             | 746,868             |
| Accounts Receivable  | 141,188             | 70,205              |
| Prepaid Expenses and Other Assets  | 16,398              | 7,766               |
| Software less Accumulated Amortization<br>of \$6,517 and \$0, Respectively | 23,929              | -                   |
|  | <u>\$ 1,497,109</u> | <u>\$ 1,485,937</u> |
| <b>LIABILITIES AND NET ASSETS</b>  |                     |                     |
| <b>LIABILITIES</b>   |                     |                     |
| Accounts Payable and Accrued Expenses                                      | \$ 133,080          | \$ 448,245          |
| Deferred Revenue   | 98,107              | 116,880             |
| Total Liabilities  | <u>231,187</u>      | <u>565,125</u>      |
| <b>NET ASSETS</b>  |                     |                     |
| Unrestricted   | 1,251,581           | 907,843             |
| Temporarily Restricted   | 4,341               | 2,969               |
| Permanently Restricted   | 10,000              | 10,000              |
| Total Net Assets   | <u>1,265,922</u>    | <u>920,812</u>      |
| Total Liabilities and Net Assets   | <u>\$ 1,497,109</u> | <u>\$ 1,485,937</u> |

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

|  | 2017                |                           |                           |                     | 2016              |                           |                           |                   |
|--|---------------------|---------------------------|---------------------------|---------------------|-------------------|---------------------------|---------------------------|-------------------|
|  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total               | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
| <b>REVENUE</b>                                       |                     |                           |                           |                     |                   |                           |                           |                   |
| Annual Meeting:                                      |                     |                           |                           |                     |                   |                           |                           |                   |
| Registration Fees                                    | \$ 318,224          | \$ -                      | \$ -                      | \$ 318,224          | \$ 326,925        | \$ -                      | \$ -                      | \$ 326,925        |
| Sponsorships   | 228,000             | -                         | -                         | 228,000             | 174,000           | -                         | -                         | 174,000           |
| Exhibitor Fees                                       | 201,750             | -                         | -                         | 201,750             | 207,475           | -                         | -                         | 207,475           |
| Membership Dues                                      | 219,250             | -                         | -                         | 219,250             | 210,096           | -                         | -                         | 210,096           |
| Annual Workshop:                                     |                     |                           |                           |                     |                   |                           |                           |                   |
| Registration Fees                                    | 183,095             | -                         | -                         | 183,095             | 205,415           | -                         | -                         | 205,415           |
| Sponsorships   | 91,000              | -                         | -                         | 91,000              | 74,350            | -                         | -                         | 74,350            |
| Job Postings   | 7,293               | -                         | -                         | 7,293               | 10,519            | -                         | -                         | 10,519            |
| Investment Income                                    | 131,052             | 1,872                     | -                         | 132,924             | 46,450            | 751                       | -                         | 47,201            |
| Appropriation of Endowment<br>Assets for Expenditure | 500                 | (500)                     | -                         | -                   | 500               | (500)                     | -                         | -                 |
| Total Revenue  | <u>1,380,164</u>    | <u>1,372</u>              | <u>-</u>                  | <u>1,381,536</u>    | <u>1,255,730</u>  | <u>251</u>                | <u>-</u>                  | <u>1,255,981</u>  |
| <b>EXPENSES</b>                                      |                     |                           |                           |                     |                   |                           |                           |                   |
| Program Services:                                    |                     |                           |                           |                     |                   |                           |                           |                   |
| Annual Meeting                                       | 499,484             | -                         | -                         | 499,484             | 579,139           | -                         | -                         | 579,139           |
| Annual Workshop                                      | 234,371             | -                         | -                         | 234,371             | 239,649           | -                         | -                         | 239,649           |
| Board and Committees                                 | 132,991             | -                         | -                         | 132,991             | 124,416           | -                         | -                         | 124,416           |
| Area Program Committees                              | 1,463               | -                         | -                         | 1,463               | 24,654            | -                         | -                         | 24,654            |
| Other Program Expenses                               | 795                 | -                         | -                         | 795                 | 725               | -                         | -                         | 725               |
| Total Program Services                               | <u>869,104</u>      | <u>-</u>                  | <u>-</u>                  | <u>869,104</u>      | <u>968,583</u>    | <u>-</u>                  | <u>-</u>                  | <u>968,583</u>    |
| Supporting Service:                                  |                     |                           |                           |                     |                   |                           |                           |                   |
| Management and General                               | 167,322             | -                         | -                         | 167,322             | 168,043           | -                         | -                         | 168,043           |
| Total Expenses                                       | <u>1,036,426</u>    | <u>-</u>                  | <u>-</u>                  | <u>1,036,426</u>    | <u>1,136,626</u>  | <u>-</u>                  | <u>-</u>                  | <u>1,136,626</u>  |
| <b>CHANGE IN NET ASSETS</b>                          | 343,738             | 1,372                     | -                         | 345,110             | 119,104           | 251                       | -                         | 119,355           |
| Net Assets - Beginning of Year                       | <u>907,843</u>      | <u>2,969</u>              | <u>10,000</u>             | <u>920,812</u>      | <u>788,739</u>    | <u>2,718</u>              | <u>10,000</u>             | <u>801,457</u>    |
| <b>NET ASSETS - END OF YEAR</b>                      | <u>\$ 1,251,581</u> | <u>\$ 4,341</u>           | <u>\$ 10,000</u>          | <u>\$ 1,265,922</u> | <u>\$ 907,843</u> | <u>\$ 2,969</u>           | <u>\$ 10,000</u>          | <u>\$ 920,812</u> |

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

|  | 2017       | 2016       |
|--|------------|------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |            |            |
| Change in Net Assets   | \$ 345,110 | \$ 119,355 |
| Adjustments to Reconcile Change in Net Assets to Net Cash<br>(Used in) Provided by Operating Activities: |            |            |
| Amortization Expense   | 6,517      | -          |
| Realized Gain on Investments   | -          | (100)      |
| Unrealized Gains on Investments  | (113,626)  | (30,099)   |
| Change in Assets and Liabilities:  |            |            |
| Accounts Receivable  | (70,983)   | (10,730)   |
| Prepaid Expenses and other Assets  | (8,632)    | (1,709)    |
| Accounts Payable and Accrued Expenses  | (315,165)  | 307,328    |
| Deferred Revenue   | (18,773)   | (43,711)   |
| Net Cash (Used in) Provided by Operating Activities  | (175,552)  | 340,334    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |            |            |
| Purchases of Investments   | (18,072)   | (16,413)   |
| Purchases of Software  | (30,446)   | -          |
| Net Cash Used in Investing Activities  | (48,518)   | (16,413)   |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>  | (224,070)  | 323,921    |
| Cash and Cash Equivalents - Beginning of Year  | 661,098    | 337,177    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 437,028 | \$ 661,098 |

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Eastern Association of College and University Business Officers (EACUBO) is a nonprofit membership organization incorporated in 1978 under the laws of the District of Columbia. The organization was founded in 1919 by higher education business officers to promote effective and ethical business and financial administration in colleges and universities. EACUBO's primary goal is to provide quality professional development opportunities that are relevant and timely to its members.

EACUBO has a diverse membership of over 750 institutions and organizations. These include public and private colleges, universities, and other post-secondary institutions, as well as other agencies and for-profit organizations affiliated with or serving higher education.

EACUBO is one of four associations affiliated with the National Association of College and University Business Officers (NACUBO).

**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 can affect certain reported amounts and disclosures. Actual results could differ from estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposit and money market accounts, as well as highly liquid investments with an initial maturity of three months or less.

**Investments**

Investments are composed of mutual funds and are recorded in the accompanying statements of financial position 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.

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. Unrealized gains or losses are determined by comparison of fair value at the beginning and end of the reporting period.

**Accounts Receivable**

Accounts receivable primarily consist of sponsorship and exhibitor fees due for the annual meeting. EACUBO uses the allowance method to record potentially uncollectible accounts receivable. No allowance was recorded for years ended December 31, 2017 and 2016, as all receivables are deemed fully collectible.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Software**

Software is recorded at cost and amortized using the straight-line method over a period of three years. EACUBO capitalizes expenditures for software in excess of \$1,001. Lesser amounts are expensed in the year of acquisition. Upon retirement or disposal of the assets, the cost and accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss is included in revenue and support or expenses as appropriate.

**Fair Value Measurement**

EACUBO follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for financial assets (and liabilities) measured at fair value on a recurring basis. The FASB ASC topic defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, 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 standard established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under the standard are described as follows:

*Level 1* – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

*Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

*Level 3* – Unobservable inputs for the asset or liability, including the reporting entities own assumptions in determining the fair value measurement.

As of December 31, 2017 and 2016, only EACUBO's investments, as described in Note 3 of the financial statements, were measured at fair value on a recurring basis.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Net Assets**

The net assets of EACUBO are reported as follows:

**Unrestricted**

Net assets represent the portion of expendable funds that are available for support of EACUBO's operations.

**Temporarily Restricted**

Net assets represent amounts that are specifically restricted by the donors or grantors for various purposes or time periods.

**Permanently Restricted**

Net assets represent funds that require the principal to be maintained in perpetuity and the earnings used for the purposes designated by the donor.

**Revenue and Expense Recognition**

Membership dues are recognized as revenue in the period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as deferred revenue in the accompanying statements of financial position. Membership dues run on a June 1<sup>st</sup> through May 31<sup>st</sup> membership year.

Revenue and the related costs of the annual meeting and annual workshop are recognized in the year in which the meeting and workshop is held. Accordingly, registration, exhibitor fees, and sponsorships received in advance of an event are recorded as deferred revenue in the accompanying statement of financial position. Expenses paid in advance of an event are recorded as prepaid expenses in the accompanying statements of financial position.

**Allocation of Expenses**

The costs of providing the various programs and activities have been summarized by program and supporting services in the accompanying statements of activities. Expenses, primarily association management services, that are not directly charged to a program or supporting service are allocated among the programs (annual meeting and workshop) and supporting services based upon contractual terms of its agreement with NACUBO.

**Income Taxes**

EACUBO is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required as of December 31, 2017 and 2016, as EACUBO had no net unrelated business income.

EACUBO's income tax return is subject to review and examination by Federal and state authorities. EACUBO is not aware of any activities that would jeopardize its tax-exempt status.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, EACUBO has evaluated events and transactions for potential recognition or disclosure through June 14, 2018, the date the financial statements were available to be issued.

**NOTE 2 CONCENTRATIONS OF RISK**

**Credit Risk**

Financial instruments, which subject EACUBO to a concentration of credit risk, consist of demand deposits placed with financial institutions. At certain times during the year EACUBO had funds invested with local institutions in excess of the Federal Deposit Insurance Corporation insurance limits.

**Market Value Risk**

EACUBO invests in diversified investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amount reported in the financial statements.

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT**

Investments are stated at fair value and consisted of the following as of December 31:

|                       | 2017              |             |             | Fair Value        |
|-----------------------|-------------------|-------------|-------------|-------------------|
|                       | Level 1           | Level 2     | Level 3     |                   |
| Mutual Funds:         |                   |             |             |                   |
| Global Equity Index   | \$ 642,209        | \$ -        | \$ -        | \$ 642,209        |
| Bond Market Index     | 135,768           | -           | -           | 135,768           |
| Short-Term Bond Index | 85,641            | -           | -           | 85,641            |
| Balanced              | 14,948            | -           | -           | 14,948            |
| Total Investments     | <u>\$ 878,566</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 878,566</u> |
|                       |                   |             |             |                   |
|                       | 2016              |             |             | Fair Value        |
|                       | Level 1           | Level 2     | Level 3     |                   |
| Mutual Funds:         |                   |             |             |                   |
| Global Equity Index   | \$ 517,651        | \$ -        | \$ -        | \$ 517,651        |
| Bond Market Index     | 131,103           | -           | -           | 131,103           |
| Short-Term Bond Index | 84,645            | -           | -           | 84,645            |
| Balanced              | 13,469            | -           | -           | 13,469            |
| Total Investments     | <u>\$ 746,868</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 746,868</u> |

EACUBO used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

*Mutual Funds* – Value based on readily available quoted prices in an active market.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)**

Investment income, including interest earned on cash accounts, was as follows as of December 31:

|                         | 2017       | 2016      |
|-------------------------|------------|-----------|
| Dividends and Interest  | \$ 19,298  | \$ 17,002 |
| Realized Gains          | -          | 100       |
| Unrealized Gains        | 113,626    | 30,099    |
| Total Investment Income | \$ 132,924 | \$ 47,201 |

**NOTE 4 ENDOWMENT FUND**

EACUBO received donor restricted donations in previous years to establish an endowment to fund an annual distinguished service award. Investment income and appreciation on the fund are permanently restricted until the fund accumulates a balance of \$10,000.

**Interpretation of Relevant Law**

EACUBO's board of directors has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, EACUBO classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by EACUBO in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, EACUBO considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of EACUBO 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 EACUBO
- The investment policies of EACUBO

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 4 ENDOWMENT FUND (CONTINUED)**

**Investment and Spending Policies**

The board of directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Upon the fund accumulating a balance of \$10,000, the board of directors may appropriate funds from investment income and appreciation for the distinguished service award.

As of December 31, EACUBO's endowment had the following net asset composition:

|                  | 2017                      |                           |           |
|------------------|---------------------------|---------------------------|-----------|
|                  | Temporarily<br>Restricted | Permanently<br>Restricted | Total     |
| Donor Restricted | \$ 4,341                  | \$ 10,000                 | \$ 14,341 |
|                  | 2016                      |                           |           |
|                  | Temporarily<br>Restricted | Permanently<br>Restricted | Total     |
| Donor Restricted | \$ 2,969                  | \$ 10,000                 | \$ 12,969 |

Changes in endowment net assets were as follows for the years ended December 31:

|  | 2017                      |                           |           |
|--|---------------------------|---------------------------|-----------|
|  | Temporarily<br>Restricted | Permanently<br>Restricted | Total     |
| Endowment Net Assets - Beginning of Year   | \$ 2,969                  | \$ 10,000                 | \$ 12,969 |
| Investment Return:                         |                           |                           |           |
| Investment Income                          | 272                       | -                         | 272       |
| Net Appreciation (Realized and Unrealized) | 1,600                     | -                         | 1,600     |
| Total Investment Return                    | 1,872                     | -                         | 1,872     |
| Appropriation of Endowment                 |                           |                           |           |
| Assets for Expenditure                     | (500)                     |                           | (500)     |
| Endowment Net Assets - End of Year         | \$ 4,341                  | \$ 10,000                 | \$ 14,341 |
|  | 2016                      |                           |           |
|  | Temporarily<br>Restricted | Permanently<br>Restricted | Total     |
| Endowment Net Assets - Beginning of Year   | \$ 2,718                  | \$ 10,000                 | \$ 12,718 |
| Investment Return:                         |                           |                           |           |
| Investment Income                          | 294                       | -                         | 294       |
| Net Appreciation (Realized and Unrealized) | 457                       | -                         | 457       |
| Total Investment Return                    | 751                       | -                         | 751       |
| Appropriation of Endowment                 |                           |                           |           |
| Assets for Expenditure                     | (500)                     |                           | (500)     |
| Endowment Net Assets - End of Year         | \$ 2,969                  | \$ 10,000                 | \$ 12,969 |

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**NOTE 5 COMMITMENTS**

**Contracts**

EACUBO has entered into various agreements for hotel accommodations for its future planned meetings and workshops. In the event that EACUBO were to cancel these reservations or fail to use a specified percentage of the total space reserved, EACUBO would be required to pay liquidated damages based upon the date the hotel was notified of the cancellation or reduction in requested rooms, as well as the hotel's ability to fill the resulting vacancies. EACUBO's management does not believe that any of these commitments will result in a loss due to liquidated damages. Accordingly, no amount for this potential liability has been reflected in the accompanying financial statements.

Effective April 1, 2012, EACUBO entered into a five-year association management agreement with NACUBO, EACUBO's national affiliate. The annual fee for the first two years of the contract was \$210,000, payable in equal monthly installments of \$17,500. The annual fee increases in an amount equal to the consumer price index. EACUBO management fees paid to NACUBO totaled approximately \$227,285 and \$238,168 for the years ended December 31, 2017 and 2016, respectively. Outstanding net receivable balance due from NACUBO as of December 31, 2017 and 2016, was \$32,283 and \$57,910, respectively, which is reflected in the statements of financial position. Effective January 1, 2018, the agreement was extended through December 31, 2020.