

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019



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**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Association of College and University Business Officers
Washington, DC

We have audited the accompanying financial statements of Eastern Association of College and University Business Officers (EACUBO), which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years 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 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 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.

Board of Directors
Eastern Association of College and University Business Officers

Opinion

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
June 21, 2021

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 480,885	\$ 641,232
Investments	1,130,584	990,322
Accounts Receivable, Net	7,634	17,758
Prepaid Expenses and Other Assets	1,870	16,229
Software, Less Accumulated Amortization of \$30,446 and \$26,814, Respectively	-	3,632
	<u>\$ 1,620,973</u>	<u>\$ 1,669,173</u>
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 30,142	\$ 27,149
Deferred Revenue - Membership	66,969	77,844
Deferred Revenue - Annual Meeting	25,725	41,213
Deferred Revenue - Annual Workshop	30,010	16,585
Total Liabilities	<u>152,846</u>	<u>162,791</u>
NET ASSETS		
Without Donor Restrictions	1,451,657	1,491,940
With Donor Restrictions	16,470	14,442
Total Net Assets	<u>1,468,127</u>	<u>1,506,382</u>
Total Liabilities and Net Assets	<u>\$ 1,620,973</u>	<u>\$ 1,669,173</u>

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Annual Meeting:						
Registration Fees	\$ 32,257	\$ -	\$ 32,257	\$ 336,200	\$ -	\$ 336,200
Sponsorships	98,225	-	98,225	302,876	-	302,876
Exhibitor Fees	-	-	-	215,720	-	215,720
Membership Dues	173,425	-	173,425	189,154	-	189,154
Annual Workshop:						
Registration Fees	745	-	745	225,790	-	225,790
Sponsorships	-	-	-	87,000	-	87,000
Job Postings and Other	5,162	-	5,162	16,160	-	16,160
Investment Income, Net	138,949	2,028	140,977	175,110	1,771	176,881
Appropriation of Endowment						
Assets for Expenditure	-	-	-	500	(500)	-
Total Revenue	<u>448,763</u>	<u>2,028</u>	<u>450,791</u>	<u>1,548,510</u>	<u>1,271</u>	<u>1,549,781</u>
EXPENSES						
Program Services:						
Annual Meeting	126,868	-	126,868	790,203	-	790,203
Annual Workshop	93,490	-	93,490	253,260	-	253,260
Board and Committees	94,590	-	94,590	144,924	-	144,924
Other Program	-	-	-	795	-	795
Total Program Services	<u>314,948</u>	<u>-</u>	<u>314,948</u>	<u>1,189,182</u>	<u>-</u>	<u>1,189,182</u>
Supporting Service:						
Management and General	174,098	-	174,098	182,499	-	182,499
Total Expenses	<u>489,046</u>	<u>-</u>	<u>489,046</u>	<u>1,371,681</u>	<u>-</u>	<u>1,371,681</u>
CHANGE IN NET ASSETS	(40,283)	2,028	(38,255)	176,829	1,271	178,100
Net Assets - Beginning of Year	<u>1,491,940</u>	<u>14,442</u>	<u>1,506,382</u>	<u>1,315,111</u>	<u>13,171</u>	<u>1,328,282</u>
NET ASSETS - END OF YEAR	<u>\$ 1,451,657</u>	<u>\$ 16,470</u>	<u>\$ 1,468,127</u>	<u>\$ 1,491,940</u>	<u>\$ 14,442</u>	<u>\$ 1,506,382</u>

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

2020						
Program Services						
	Annual Meeting	Annual Workshop	Board and Committees	Total Program Services	Management and General	Total
Salary	\$ -	\$ -	\$ -	\$ -	\$ 83,406	\$ 83,406
Travel	658	33	39,827	40,518	-	40,518
Food and Beverage	1,564	-	22,465	24,029	-	24,029
Production Services	1,167	4,025	-	5,192	-	5,192
Postage and Delivery	31	78	8	117	-	117
Registration and						
Membership Fees	4,750	-	3,250	8,000	2,869	10,869
Audio Visual	29,208	18,400	8,720	56,328	-	56,328
Supplies	105	1,699	-	1,804	-	1,804
Professional Fees	90,475	69,475	16,820	176,770	77,283	254,053
Amortization	-	-	-	-	3,632	3,632
Noncapital Equipment	-	-	3,500	3,500	-	3,500
Bank Charges	-	-	-	-	2,461	2,461
Other	(1,090)	(220)	-	(1,310)	4,447	3,137
Total Expenses	<u>\$ 126,868</u>	<u>\$ 93,490</u>	<u>\$ 94,590</u>	<u>\$ 314,948</u>	<u>\$ 174,098</u>	<u>\$ 489,046</u>

2019							
Program Services							
	Annual Meeting	Annual Workshop	Board and Committees	Other Program	Total Program Services	Management and General	Total
Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,668	\$ 79,668
Travel	27,389	6,717	99,923	-	134,029	742	134,771
Food and Beverage	296,856	114,622	34,134	-	445,612	-	445,612
Production Services	26,846	5,696	25	-	32,567	-	32,567
Postage and Delivery	2,335	2,144	-	-	4,479	-	4,479
Registration and							
Membership Fees	6,597	1,500	3,250	-	11,347	350	11,697
Audio Visual	106,299	42,626	2,468	-	151,393	-	151,393
Supplies	34,343	735	-	-	35,078	(623)	34,455
Professional Fees	272,873	66,645	1,624	795	341,937	75,266	417,203
Amortization	-	-	-	-	-	10,148	10,148
Noncapital Equipment	-	-	3,500	-	3,500	266	3,766
Bank Charges	-	-	-	-	-	7,094	7,094
Other	16,665	12,575	-	-	29,240	9,588	38,828
Total Expenses	<u>\$ 790,203</u>	<u>\$ 253,260</u>	<u>\$ 144,924</u>	<u>\$ 795</u>	<u>\$ 1,189,182</u>	<u>\$ 182,499</u>	<u>\$ 1,371,681</u>

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (38,255)	\$ 178,100
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	3,632	10,148
Bad Debt Expense (Recoveries)	(1,311)	25,000
Unrealized Gain on Investments	(120,851)	(150,667)
Change in Assets and Liabilities:		
Accounts Receivable, Net	11,435	22,689
Prepaid Expenses and Other Assets	14,359	(2,203)
Accounts Payable and Accrued Expenses	2,993	(69,948)
Deferred Revenue - Membership	(10,875)	1,821
Deferred Revenue - Annual Meeting	(15,488)	23,738
Deferred Revenue - Annual Workshop	13,425	14,800
Net Cash Provided (Used) by Operating Activities	(140,936)	53,478
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(19,411)	(22,889)
Net Cash Used by Investing Activities	(19,411)	(22,889)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(160,347)	30,589
Cash and Cash Equivalents - Beginning of Year	641,232	610,643
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 480,885	\$ 641,232

See accompanying Notes to Financial Statements.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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 the years ended December 31, 2020 and 2019, as all receivables are deemed fully collectible.

EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 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. 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. 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, 2020 and 2019, 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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

The net assets of EACUBO are reported as follows:

Net Assets Without Donor Restrictions – Represents net assets not subject to donor restrictions available for general operations.

Net Assets With Donor Restrictions – Represents net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity to generate investment income to support the general and administration expenses of EACUBO. Restrictions that are temporary in nature consist of the investment earnings on the assets that are held in perpetuity.

Revenue and Expense Recognition

Membership dues run on a June 1st through May 31st membership year. There are no distinct performance obligations and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Accordingly, membership dues are recognized ratably over the period of membership. Dues paid by members in advance of their membership period are reported as deferred revenue in the accompanying statements of financial position.

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. The related revenue, including sponsorships, is considered an exchange transaction. 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. However, EACUBO is subject to federal and state taxes on its 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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

As part of EACUBO's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

EACUBO's financial assets available within one year of the statements of financial position date for general expenditures were as follows:

	2020	2019
Cash and Cash Equivalents	\$ 480,885	\$ 641,232
Investments	1,130,584	990,322
Account Receivable, Net	7,634	17,758
Less: Net Assets With Donor Restrictions	(16,470)	(14,442)
Total	<u>\$ 1,602,633</u>	<u>\$ 1,634,870</u>

Subsequent Events

In preparing these financial statements, EACUBO has evaluated events and transactions for potential recognition or disclosure through June 21, 2021, 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.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT

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

	2020			Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds:				
Global Equity Index	\$ 857,643	\$ -	\$ -	\$ 857,643
Bond Market Index	158,948	-	-	158,948
Short-Term Bond Index	95,280	-	-	95,280
Balanced	18,713	-	-	18,713
Total Investments	\$ 1,130,584	\$ -	\$ -	\$ 1,130,584
	2019			Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds:				
Global Equity Index	\$ 734,972	\$ -	\$ -	\$ 734,972
Bond Market Index	147,558	-	-	147,558
Short-Term Bond Index	91,011	-	-	91,011
Balanced	16,781	-	-	16,781
Total Investments	\$ 990,322	\$ -	\$ -	\$ 990,322

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.

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

	2020	2019
Dividends and Interest	\$ 20,126	\$ 26,215
Unrealized Gain	120,851	150,666
Total Investment Income, Net	\$ 140,977	\$ 176,881

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 recorded as net assets with donor restrictions held in perpetuity until the fund accumulates a balance of \$10,000.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 ENDOWMENT FUND (CONTINUED)

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 with donor restrictions net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 to be held in perpetuity is classified as time or purpose 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

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.

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 ENDOWMENT FUND (CONTINUED)

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

	<u>2020</u>	<u>2019</u>
Original Donor-Restricted Gift Amount and Amounts Required to be Retained by Donor Portion Subject to Appropriation Under UPMIFA	\$ 10,000 6,470	\$ 10,000 4,442
Total Net Assets with Donor Restrictions	<u>\$ 16,470</u>	<u>\$ 14,442</u>

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

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 14,442	\$ 14,442
Investment Return:			
Investment Income	-	176	176
Unrealized Gain	-	1,852	1,852
Total Investment Return	-	2,028	2,028
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 16,470</u>	<u>\$ 16,470</u>
	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ 13,171	\$ 13,171
Investment Return:			
Investment Income	-	262	262
Unrealized Gain	-	1,509	1,509
Total Investment Return	-	1,771	1,771
Appropriation of Endowment Assets for Expenditure	-	(500)	(500)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 14,442</u>	<u>\$ 14,442</u>

**EASTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 COMMITMENTS AND CONTINGENCIES

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. As of December 31, 2020, the maximum liquidated damages under these agreements totaled approximately \$69,000.

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 \$210,200 and \$210,000 for the years ended December 31, 2020 and 2019, respectively. The outstanding net payable balance due to NACUBO as of December 31, 2020 and 2019, was \$14,949 and \$5,972, respectively, which is reflected in the statements of financial position. Effective January 1, 2018, the agreement was extended through December 31, 2020 with two one-year renewal options.

COVID-19

In March 2020, the World Health Organization declared the spread of coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to EACUBO, COVID-19 may impact various parts of its FY2021 operations and financial results, including, but not limited to, loss of revenue due to cancellation of certain events and activities, and other reductions in certain revenue streams. Management believes EACUBO is taking appropriate actions to mitigate the negative impact, including cost reductions and moving to virtual events. As of June 21, 2021, the amount and likelihood of any loss relating to these events is not determined and cannot be reasonably estimated as these events are still developing.