MW&A

International Right of Way Association

Financial Statements

Years Ended June 30, 2020 and 2019

TABLE OF CONTENTS

	Page
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Activities	4
Statements of Functional Expense	5 – 6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 17

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Expert Advice | Strategic Solutions | Personalized Attention

INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Right of Way Association
Gardena, California

We have audited the accompanying financial statements of the International Right of Way Association, which comprise the statement of financial position as of June 30, 2020 and 2019, and 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.

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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Right of Way Association as of June 30, 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.

Mann Weitz & Associates LLC

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois
October 5, 2020

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 827,266	$ 1,131,110
Accounts receivable, net of allowance for doubtful acounts of $5,298 and $10,365 for 2020 and 2019, respectively	47,191	55,271
Contributions receivable - Note 5	141,000	120,000
Interest receivable		
Inventory	83,909	54,046
Prepaid expenses	169,466	194,620
Total Current Assets	1,268,832	1,555,047
Property and Equipment, net - Notes 6 and 8	1,865,154	2,011,165
Other Assets		
Deposits	16,821	17,366
Investments - Notes 3 and 4	1,215,920	1,210,341
Contributions receivable - Note 5	82,500	153,500
Total Other Assets	1,315,241	1,381,207
Total Assets	$ 4,449,227	$ 4,947,419
LIABILITIES AND NET ASSETS		
Current Liabilities		
Note payable - Note 8	$ -	$ 54,757
Accounts payable and accrued expenses	389,123	1,075,141
Deferred membership dues revenue	907,789	934,423
Deferred other revenue	79,075	92,878
Total Liabilities	1,375,987	2,157,199
Net Assets		
Without donor restrictions	2,800,850	2,474,359
With donor restrictions - Note 9	272,390	315,861
Total Net Assets	3,073,240	2,790,220
Total Liabilities and Net Assets	$ 4,449,227	$ 4,947,419

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Membership dues	$ 1,858,159	$ -	$ 1,858,159	$ 1,846,374	$ -	1,846,374
Annual education conference	13,000		13,000	859,515		859,515
Educational courses net of scholarships in the amount of $43,471 and $40,783 during the years ended June 30, 2020 and 2019	1,717,050		1,717,050	1,929,065		1,929,065
Right of Way magazine	201,220		201,220	217,000		217,000
Contributions and grants		20,000	20,000		92,500	92,500
Expiration of grant funding					(18,060)	(18,060.0)
Investment income - Note 3	6,385		6,385	62,278		62,278
SR/WA and certification fees	73,486		73,486	109,480		109,480
Pipeline committee	19,944		19,944	22,439		22,439
Other	1,037		1,037	508		508
Total Revenues and Gains	3,890,281	20,000	3,910,281	5,046,659	74,440	5,121,099
Net assets released from restriction - Note 10	63,471	(63,471)		66,723	(66,723)	
Total Revenue, Gains and Other Support	3,953,752	(43,471)	3,910,281	5,113,382	7,717	5,121,099
Expenses						
Program Services						
Annual education conference	188,753		188,753	819,481		819,481
Educational courses	304,971		304,971	430,092		430,092
Right of Way magazine	304,534		304,534	286,897		286,897
Member services	443,977		443,977	865,975		865,975
SR/WA and certification expenses	134,980		134,980	117,614		117,614
Pipeline committee				34,540		34,540
Total Program Services	1,377,215		1,377,215	2,554,599		2,554,599
Supporting Services						
Management and general	1,794,932		1,794,932	2,095,834		2,095,834
Membership maintenance and promotion	195,689		195,689	232,926		232,926
Board of Directors and governance	259,425		259,425	344,254		344,254
Total Supporting Services	2,250,046		2,250,046	2,673,014		2,673,014
Total Expenses	3,627,261		3,627,261	5,227,613		5,227,613
Change in Net Assets	326,491	(43,471)	283,020	(114,231)	7,717	(106,514)
Net Assets						
Beginning of year	2,474,359	315,861	2,790,220	2,588,590	308,144	2,896,734
End of year	$ 2,800,850	$ 272,390	$ 3,073,240	$ 2,474,359	$ 315,861	$ 2,790,220

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services						Supporting Services				
	Annual Education Conference	Educational Courses	Right of Way Magazine	Member Services	SR/WA and Certification Expense	Total Program Services	Management and General	Membership Maintenance and Promotion	Board of Directors and Governance	Total Supporting Services	Total
Automobile expense	$ -	$ -	$ -	$ -	$ -	$ -	$ (354)	$ -	$ -	$ (354)	$ (354)
Awards and recognition								2,886		2,886	2,886
Bad debt expense (recovery)							(5,068)			(5,068)	(5,068)
Bank charges							127,754			127,754	127,754
Building expenses (including depreciation)	7,148		9,183	15,804	6,048	38,183	59,383	7,295	679	67,357	105,540
Computer consulting fees				2,250		2,250					2,250
Depreciation and amortization-other	10,248		13,166	22,658	8,671	54,743	85,138	10,459	974	96,571	151,314
Dues							3,636	4,608		8,244	8,244
Education and meetings		304,971				304,971					304,971
Employees-temporary and training							14,928			14,928	14,928
Equipment leases							1,677			1,677	1,677
Insurance							13,439		13,439	26,878	26,878
International Conference	30,472					30,472					30,472
Leadership modules				688		688					688
Marketing								5,123		5,123	5,123
Membership development				27,917		27,917					27,917
Membership directory				3,585		3,585		21,539	25,518	47,057	50,642
Miscellaneous				40,819		40,819	2,401			2,401	43,220
Pipeline committee				18,780		18,780					18,780
Postage	1,367		1,756	3,022	1,156	7,301	11,355	1,395	130	12,880	20,181
Professional fees							123,365			123,365	123,365
Publication			101,191			101,191					101,191
Recruitment							136,501			136,501	136,501
Repairs and maintenance	4,469		5,741	9,880	3,781	23,871	37,126	4,561	425	42,112	65,983
Salaries, taxes and benefits	128,332		164,869	283,726	108,585	685,512	1,116,510	130,969		1,247,479	1,932,991
Supplies	707		908	1,563	598	3,776	5,874	722	67	6,663	10,439
SR/WA and certification					1,057	1,057					1,057
Taxes and licenses							11,349			11,349	11,349
Teleconferencing	1,355		1,740	2,995	1,146	7,236	11,253	1,382	129	12,764	20,000
Telephone	1,904		2,446	4,209	1,611	10,170	15,814	1,943	181	17,938	28,108
Travel									217,622	217,622	217,622
Website	2,751		3,534	6,081	2,327	14,693	22,851	2,807	261	25,919	40,612
Total Expenses	$ 188,753	$ 304,971	$ 304,534	$ 443,977	$ 134,980	$ 1,377,215	$ 1,794,932	$ 195,689	$ 259,425	$ 2,250,046	$ 3,627,261

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services							Supporting Services				
	Annual Education Conference	Educational Courses	Right of Way Magazine	Member Services	SR/WA and Certification Expense	Pipeline Committee	Total Program Services	Management and General	Membership Maintenance and Promotion	Board of Directors and Governance	Total Supporting Services	Total
Automobile expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,495	$ -	$ -	$ 25,495	$ 25,495
Awards and recognition									4,153		4,153	4,153
Bad debt expense (recovery)								(4,913)			(4,913)	(4,913)
Bank charges								117,210			117,210	117,210
Building expenses (including depreciation)	4,933	4,933	9,865	29,596	4,933	4,933	59,193	49,327			49,327	108,520
Computer consulting fees				5,198			5,198					5,198
Depreciation and amortization-other	7,719	85	8,162	34,804	5,189	25	55,984	81,782	8,416	232	90,430	146,414
Dues								8,004	4,608		12,612	12,612
Education and meetings		421,213					421,213					421,213
Employees-temporary and training				19,863			19,863	3,197			3,197	23,060
Equipment leases								1,640			1,640	1,640
Insurance								12,535		12,535	25,070	25,070
International Conference	653,941						653,941					653,941
Leadership modules				17,723			17,723					17,723
Marketing									30,265		30,265	30,265
Membership development				29,870			29,870					29,870
Membership directory				4,100			4,100		21,201	24,212	45,413	49,513
Miscellaneous				32,162			32,162	8,072		877	8,949	41,111
Pipeline committee						26,888	26,888					26,888
Postage	1,248	14	1,319	5,626	839	4	9,050	13,219	1,360	37	14,616	23,666
Professional fees								99,622			99,622	99,622
Publication			105,131				105,131					105,131
Recruitment								2,000			2,000	2,000
Repairs and maintenance	2,917	32	3,084	13,152	1,961	9	21,155	30,906	3,180	88	34,174	55,329
Salaries, taxes and benefits	143,279	1,572	151,500	646,047	96,330	464	1,039,192	1,577,971	156,214	4,298	1,738,483	2,777,675
Supplies	782	782	1,564	4,692	782	782	9,384	7,819			7,819	17,203
SR/WA and certification					3,979		3,979					3,979
Taxes and licenses								13,409			13,409	13,409
Teleconferencing	964	11	1,019	4,345	648	3	6,990	10,211	1,051	29	11,291	18,281
Telephone	1,425	1,425	2,850	8,549	1,425	1,425	17,099	14,248			14,248	31,347
Travel										301,878	301,878	301,878
Website	2,273	25	2,403	10,248	1,528	7	16,484	24,080	2,478	68	26,626	43,110
Total Expenses	$ 819,481	$ 430,092	$ 286,897	$ 865,975	$ 117,614	$ 34,540	$ 2,554,599	$ 2,095,834	$ 232,926	$ 344,254	$ 2,673,014	$ 5,227,613

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	$ 283,020	$ (106,514)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	188,339	183,435
Net loss (gain) on investments	29,895	(11,837)
Loss on disposal of property and equipment		1,176
Net (increase) decrease in assets		
Accounts receivable	8,080	90,613
Contributions receivable	50,000	1,500
Interest receivable		1,063
Inventory	(29,863)	(7,864)
Prepaid expenses	25,154	(52,641)
Deposits	545	(17)
Net increase (decrease) in liabilities		
Accounts payable and accrued expenses	(686,018)	233,410
Deferred membership dues revenue	(26,634)	30,554
Deferred other revenue	(13,803)	(16,840)
Net Cash provided by (Used for) Operating Activities	(171,285)	346,038
Cash Flows from Investing Activities		
Purchase of property and equipment	(42,328)	(77,011)
Purchase of investments	(138,635)	(359,303)
Proceeds from sale of investments	103,161	313,409
Proceeds from maturity of certificates of deposit		501,649
Net Cash provided by (Used for) Investing Activities	(77,802)	378,744
Cash Flows from Financing Activities		
Principal payments on note payable	(54,757)	(106,571)
Net Increase (Decrease) in Cash and Cash Equivalents	(303,844)	618,211
Cash and Cash Equivalents		
Beginning of year	1,131,110	512,899
End of year	$ 827,266	$ 1,131,110
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 428	$ 3,854
Cash paid during the year for income taxes	$ 7,126	$ 8,218

The accompanying notes are an integral part of this statement.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Organization

The International Right of Way Association (Association) is a tax-exempt, nonprofit, membership organization of approximately 8,100 right-of-way professionals. The Association's purpose is to improve people's quality of life through infrastructure development. The Association's mission is to empower professionals by elevating ethics, learning, and a standard of excellence within the global infrastructure real estate community. The major services provided by the Association to members and others are educational in nature. These services include conducting annual and other meetings, providing educational courses and publishing a magazine. Funding for these services is derived primarily from membership dues, fees charged for meeting and course registration and revenues from advertising in the magazine. The Association's national headquarters are located in Gardena, California. The Association's services are provided to members and others throughout the world; however, a majority of the services and products are provided within the United States.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues and expenses are recognized in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Information regarding the financial position and activities of the Association are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

- Net assets without donor restrictions - Net assets available for general use in operations and not subject to donor-imposed stipulations, but may be subject to board designations. They include all activities of the Association, except for those amounts that are restricted by external donors.

- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time (time restrictions) or other events specified by the donor (purpose restrictions). Other donor imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity and only the investment income be expended. The Association has no net assets to be maintained in perpetuity.

Cash Equivalents

The Association considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, excluding those amounts contained in the investment portfolios.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentration of Credit risk

The Association maintains cash and cash equivalents in certain financial institutions. At times during the years, balances at these institutions exceeded the FDIC insured limits.

Allowance for Doubtful Accounts

The Association uses the allowance method to account for uncollectible accounts receivable.

Investments

Investments are recorded at fair value. Interest and dividends, as well as realized and unrealized gains and losses on investments, are included in the statement of activities. Interest and dividends and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Inventory

Inventory consists primarily of educational materials and printing supplies. Inventory is valued at the lower of cost, on a first-in, first-out basis (FIFO), or market.

Property and Equipment

Property and equipment is recorded at historical cost. The Association capitalizes fixed asset additions over $250. Depreciation and amortization is computed by use of the straight-line method for all property and equipment. The estimated useful lives used in computing depreciation are as follows:

Description	Years
Building	39
Office computer system	5
Office furniture and equipment	5 - 7
Online curriculum	5
Vehicle	5
Website redesign	5

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

Contributions

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Promises to give payable over more than one year are recorded at present value.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions - Continued

Contributions of cash and other assets are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Dues and Deferred Membership Dues Revenue

Dues are collected annually from members at rates which vary with the type of membership. The value of membership benefits made available to members in exchange for their dues is deemed to equal or exceed the dues paid. Revenue recognized during a period relates to dues earned for that period of membership. All dues collected for future years are deferred and recorded as deferred membership dues revenue.

Deferred Other Revenue

Deferred other revenue includes registration fees and advertising received in the current period which are applicable to a future period.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses which are easily identifiable and directly associated with a particular program or supporting service are allocated directly to that functional category. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain expenses were allocated using the following methodologies:

- Time and effort - payroll, payroll taxes, benefits, depreciation, repairs and maintenance, postage, website
- Full time equivalents – building operations, supplies, telephone

Use of Estimates in the Preparation of Financial Statements

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Association is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code for all business income related to the Association's tax-exempt purpose. The Association is subject to federal and state income taxes on its net unrelated business income after related expenses, arising from the sale of advertising in its magazine, and internet job ads.

Evaluation of Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of June 30, 2020 and 2019, the Association had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Effect of Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America when it becomes effective. In June 2020, the FASB approved a one year optional deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2019. The Association elected to defer the adoption until their year ending June 30, 2021. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Management is currently evaluating the impact this change in accounting standards will have on the consolidated financial statements and related disclosures and has not yet selected a transition method.

In February 2016 FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. In May 2020, the FASB approved a one year deferral of this standard for non-public entities, with a revised effective date for fiscal years beginning after December 15, 2021. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the financial statements and related disclosures.

Subsequent Events

The Association has evaluated subsequent events for potential recognition and/or disclosures through October 5, 2020, the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The Association has a liquidity policy that establishes a Minimum Liquidity Target of 90 days, subject to future modification by the Finance Committee. The objective of this policy is to ensure that the Association operates with an adequate level of liquidity to minimize risk associated with temporary, unforeseen liquidity needs.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the financial position, are comprised of the following:

	2020	2019
Cash and equivalents	$ 827,266	$ 1,131,110
Investments	1,215,920	1,210,341
Accounts receivable	47,191	55,271
Contributions receivable, current	141,000	120,000
	2,231,377	2,516,722
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(272,390)	(315,861)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,958,987	$ 2,200,861

3. INVESTMENTS AND INVESTMENT INCOME

Investments at June 30, 2020 and 2019, are comprised of the following:

	2020	2019
Money market funds	$ 22,827	$ 21,330
Mutual funds		
Bond funds	502,093	503,984
Equity funds	691,000	685,027
Total Investments	$ 1,215,920	$ 1,210,341

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and any such changes could materially affect the amounts reported in the statement of financial position.

3. INVESTMENTS AND INVESTMENT INCOME - Continued

Investment income consists of the following for the years ended June 30:

	2020	2019
Interest and dividend income	$ 48,229	$ 62,002
Investment Fees	(11,949)	(11,561)
Unrealized loss	(24,778)	(20,869)
Realized (loss) gain	(5,117)	32,706
Total Investment Income	$ 6,385	$ 62,278

4. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Generally accepted accounting principles also establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three level of inputs that maybe used to measure fair value:

Level 1 – Valuations based on quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

4. FAIR VALUE MEASUREMENTS - Continued

The estimated fair values of investments measured on a recurring basis are as follows:

		June 30, 2020		
		Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market funds	$ 22,827	$ 22,827	$ -	$ -
Bond mutual funds	502,093	502,093		
Equity mutual funds	691,000	691,000		
Total Investments	$ 1,215,920	$ 1,215,920	$ -	$ -

		June 30, 2019		
		Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market funds	$ 21,330	$ 21,330	$ -	$ -
Bond mutual funds	503,984	503,984		
Equity mutual funds	685,027	685,027		
Total Investments	$ 1,210,341	$ 1,210,341	$ -	$ -

5. CONTRIBUTIONS RECEIVABLE

During the years ended June 30, 2019 and 2018, the Association received three contributions from the Right of Way International Education Foundation, a charitable organization with the primary purpose to fund educational initiative and to enhance the professionalism and educational standing of its constituencies. The purpose of these contributions is to fund scholarships to Association programs and to fund development of new courses. During the year ended June 30, 2020 the Association received an additional contribution from the Right of Way International Education Found to fund an online course improvement initiative. Contributions receivable at June 30 are due as follows:

	2020	2019
Due in less than one year	$ 141,000	$ 120,000
Due in one to five years	82,500	153,500
Total	$ 223,500	$ 273,500

6. PROPERTY AND EQUIPMENT

Major classes of fixed assets at June 30 are as follows:

	2020	2019
Land	$ 509,004	$ 509,004
Building	1,443,873	1,443,873
Office computer system	408,555	406,227
Office furniture and equipment	311,656	311,656
Online curriculum	1,055,269	1,015,269
Website redesign	110,840	110,840
	3,839,197	3,796,869
Less: Accumulated depreciation and amortization	1,974,043	1,785,704
Net Property and Equipment	$ 1,865,154	$ 2,011,165

Depreciation and amortization expense was $188,339 and $183,435 for the years ended June 30, 2020 and 2019, respectively.

7. EMPLOYEE BENEFIT PLAN

The Association has a 401(k) plan for all employees who meet the age and service requirements specified in the plan document. The plan receives employee and employer contributions as defined in the plan document. The employer contribution was $51,254 and $70,883 for the years ended June 30, 2020 and 2019, respectively.

8. NOTE PAYABLE

On December 8, 2009, the Association purchased a building in Gardena, California as their headquarters in the amount of $1,927,629. The Association paid for this purchase utilizing cash and borrowing $905,000 from Bank of America using the building as collateral.

Under the terms of the five-year note, the Association was to make sixty monthly installments of $5,600, commencing December 2009, including interest at 5.5% with a final balloon payment due November 2014.

The note was renewed in November, 2014 for another five years, requiring sixty monthly installments of approximately $2,900 including interest at 3.65%, commencing January 2015, with a final balloon payment due December 2019. This note was amended in March 2015, requiring 57 monthly installments of approximately $9,225 including interest at 3.65% commencing on April 1, 2015, with the final payment due December 2019.

In December 2019 the balance was paid in full. The note payable balance at June 30, 2019 was $54,757. Interest expense was $428 and $3,854 for the years ended June 30, 2020 and 2019, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2020 and 2019, are available for the following purposes:

	2020	2019
Scholarship fund	$ 141,390	$ 184,861
Course development	131,000	131,000
Total	$ 272,390	$ 315,861

10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2020 and 2019, as follows:

	2020	2019
Scholarship fund	$ 43,471	$ 40,783
Course development	20,000	25,940
Total	$ 63,471	$ 66,723

11. INCOME TAXES

The Association receives revenues, primarily from advertising in the magazine and internet job ads which are considered unrelated business income and are taxed on a net basis after related expenses. The federal and state income tax expense was $7,126 and $8,218 for the years ended June 30, 2020 and 2019, respectively.

12. RELATED PARTY TRANSACTIONS

The International Right of Way Association Regions are not-for-profit regional organizations that were formed to assist the Association chapters in ten geographic regions of the United States and Canada. The regional organizations' financial statements are not consolidated with those of the Association due to immateriality.

13. FUTURE MEETINGS

The Association has entered into contracts for services and accommodations for future meetings. These contracts include penalty clauses which would require the Association to pay certain amounts if a meeting was to be canceled or guarantees for room blocks are not fulfilled.

14. VOLUNTEER SERVICES

A significant amount of volunteer services is contributed to the Association by various members to support the Association's programs and supporting services. These volunteer activities include participating on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements, because the criteria for recognition have not been satisfied.

111 Deer Lake Road, Suite 125, Deerfield, IL 60015
Main:847.267.3400 Fax:847.267.3401 Web:mannweitz.com