



Audited Financial Statements

2018

National Council of Architectural Registration Boards

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Audited Financial Statements
**NATIONAL COUNCIL OF ARCHITECTURAL
REGISTRATION BOARDS**

June 30, 2018

National Council of Architectural Registration Boards

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Independent Auditor's Report on the Financial Statements

To the Board of Directors
National Council of Architectural Registration Boards

We have audited the accompanying financial statements of National Council of Architectural Registration Boards (the Council), which comprise the statements of financial position as of June 30, 2018 and 2017 and the related statements of activities, cash flows and functional expenses 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 Council'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 Council'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 National Council of Architectural Registration Boards as of June 30, 2018 and 2017, 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.

Washington, DC
September 7, 2018

National Council of Architectural Registration Boards

Statements of Financial Position

<i>June 30,</i>	2018	2017
Assets		
Cash and cash equivalents	\$ 4,240,913	\$ 3,494,127
Investments	23,211,641	20,361,315
Accounts receivable, net	18,019	108,362
Prepaid expenses and other assets	643,833	548,136
Investments - deferred compensation	519,892	470,741
Property, equipment, and capitalized software, net	4,538,343	5,377,154
Total assets	\$ 33,172,641	\$ 30,359,835
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,957,467	\$ 1,664,414
Accrued payroll and related liabilities	1,103,122	1,038,371
Deferred revenue	1,533,997	1,369,107
Deferred rent and lease incentive	997,631	1,322,593
Deferred compensation	519,892	470,741
Total liabilities	6,112,109	5,865,226
Net assets - unrestricted		
Council's net assets	25,832,626	23,477,444
Regional conferences' net assets	555,792	517,165
Board designated - centennial	437,000	500,000
Board designated - business development	235,114	-
Total net assets	27,060,532	24,494,609
Commitments	-	-
Total liabilities and net assets	\$ 33,172,641	\$ 30,359,835

See notes to the financial statements.

National Council of Architectural Registration Boards

Statements of Cash Flows

Year Ended June 30,	2018	2017
Revenue		
Customer relations income	\$ 20,350,232	\$ 19,360,264
Examination income	10,716,526	8,979,057
Member board dues	351,000	351,000
Interest and dividends	503,660	472,592
Education income	52,745	121,274
Annual meetings, regional activities, and other income	144,843	126,807
Total revenue	32,119,006	29,410,994
Expenses		
Program services		
Examination Directorate	7,329,449	6,240,191
Council Relations Directorate	3,170,204	3,470,908
Information Systems Directorate	4,518,172	4,319,028
Business Development	627,665	142,519
Customer Relations Directorate	4,049,837	3,739,836
E + E Directorate	2,012,591	1,812,644
Marketing & Communications Directorate	1,739,737	1,688,306
Total program expenses	23,447,655	21,413,432
Supporting services		
Administration Directorate	3,098,356	2,918,090
Executive Office	3,603,803	3,745,938
Total supporting expenses	6,702,159	6,664,028
Total expenses	30,149,814	28,077,460
Change in net assets before change in fair value of investments	1,969,192	1,333,534
Realized and unrealized gain on investments	596,731	1,028,253
Change in net assets	2,565,923	2,361,787
Net assets, beginning of year	24,494,609	22,132,822
Net assets, end of year	\$ 27,060,532	\$ 24,494,609

See notes to the financial statements.

National Council of Architectural Registration Boards

Statements of Cash Flows

Year Ended June 30,	2018	2017
Cash flows from operating activities		
Cash received from:		
Customer relations income	\$ 20,353,638	\$ 19,379,481
Examination income	11,055,721	9,363,407
Education income	52,744	121,274
Member board dues	260,000	358,600
Annual meetings, regional activities, and other income	103,391	167,023
Total cash received	31,825,494	29,389,785
Cash paid for:		
Employment/human resource expenses	(11,996,636)	(11,657,027)
Operating expenses	(5,326,312)	(5,905,710)
Contributions	(522,668)	(587,662)
Consulting	(5,903,863)	(4,168,046)
Travel/other meeting expenses	(4,532,665)	(4,739,490)
Total cash paid	(28,282,144)	(27,057,935)
Net cash provided by operating activities	3,543,350	2,331,850
Cash flows from investing activities		
Cash paid for:		
Transfers into investments	(1,844,097)	(336,258)
Capital expenditures	(952,467)	(1,593,891)
Net cash used in investing activities	(2,796,564)	(1,930,149)
Net increase in cash and cash equivalents	746,786	401,701
Cash and cash equivalents, beginning of year	3,494,127	3,092,426
Cash and cash equivalents, end of year	\$ 4,240,913	\$ 3,494,127

See notes to the financial statements.

National Council of Architectural Registration Boards

Statements of Functional Expenses

Year ended June 30, 2018											Total	
	Council Relations Directorate	Examination Directorate	Information Systems Directorate	Business Development	Customer Relations Directorate	E + E Directorate	Marketing & Communications Directorate	Total Program Expenses	Administration Directorate	Executive Office	Total Supporting Expenses	2018
Expenses:												
Employment/human resources	\$ 674,174	\$ 836,365	\$ 1,793,433	\$ 365,700	\$ 2,676,726	\$ 825,785	\$ 1,320,276	\$ 8,492,459	\$ 2,339,777	\$ 1,228,996	\$ 3,568,773	\$ 12,061,232
Operating expenses	174,918	1,072,946	2,662,641	2,967	1,079,113	275,485	300,885	5,568,955	448,060	1,136,046	1,584,106	7,153,061
Consulting	341,062	4,741,784	3,358	244,379	220,545	48,183	102,859	5,702,170	283,132	117,764	400,896	6,103,066
Travel and meeting expenses	1,382,757	675,779	58,635	14,368	72,689	860,471	13,782	3,078,481	26,923	1,068,400	1,095,323	4,173,804
Contributions	472,138	-	105	-	75	-	-	472,318	-	50,350	50,350	522,668
Other BOD/office expenses	125,155	2,575	-	251	689	2,667	1,935	133,272	464	2,247	2,711	135,983
Total expenses	\$ 3,170,204	\$ 7,329,449	\$ 4,518,172	\$ 627,665	\$ 4,049,837	\$ 2,012,591	\$ 1,739,737	\$ 23,447,655	\$ 3,098,356	\$ 3,603,803	\$ 6,702,159	\$ 30,149,814
Year ended June 30, 2017											Total	
	Council Relations Directorate	Examination Directorate	Information Systems Directorate	Business Development	Customer Relations Directorate	E + E Directorate	Marketing & Communications Directorate	Total Program Expenses	Administration Directorate	Executive Office	Total Supporting Expenses	2017
Expenses:												
Employment/human resources	\$ 654,934	\$ 812,143	\$ 1,957,933	\$ 76,556	\$ 2,587,723	\$ 775,752	\$ 1,268,037	\$ 8,133,078	\$ 2,240,925	\$ 1,144,786	\$ 3,385,711	\$ 11,518,789
Operating expenses	147,695	1,330,403	2,312,333	-	1,036,046	251,763	230,692	5,308,932	455,566	1,157,591	1,613,157	6,922,089
Consulting	179,198	3,499,300	2,589	60,518	58,549	12,820	167,430	3,980,404	193,828	185,588	379,416	4,359,820
Travel and meeting expenses	1,888,141	596,879	45,576	5,445	56,610	776,519	22,093	3,391,263	27,109	1,144,740	1,171,849	4,563,112
Contributions	486,538	1,000	-	-	-	(4,507)	-	483,031	-	104,532	104,532	587,563
Other BOD/office expenses	114,402	466	597	-	908	297	54	116,724	662	8,701	9,363	126,087
Total expenses	\$ 3,470,908	\$ 6,240,191	\$ 4,319,028	\$ 142,519	\$ 3,739,836	\$ 1,812,644	\$ 1,688,306	\$ 21,413,432	\$ 2,918,090	\$ 3,745,938	\$ 6,664,028	\$ 28,077,460

See notes to the financial statements.

National Council of Architectural Registration Boards

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: National Council of Architectural Registration Boards (the Council) is a nonprofit organization of individual architectural registration boards. The general purpose of the Council is to protect the public health, safety, and welfare by leading the regulation of the practice of architecture through the development and application of standards for licensure and credentialing of architects.

The accompanying financial statements include the accounts of the Council and five of its regional conferences. The Council authorizes these five regional conferences to use its taxpayer identification number in conjunction with operating and managing the activities of the regional conferences. The net assets and operations of these five regional conferences have been included in the Council's operations for purposes of financial and tax reporting.

Income tax status: The Council is exempt from income taxes on its exempt activities under the provisions of Section 501(c)(6) of the Internal Revenue Code. However, the Council is subject to income taxes on any unrelated business income. The Council earned no unrelated business income during 2018 or 2017.

Basis of accounting: The Council prepares its financial statements on the accrual basis of accounting. Revenue is recognized when earned and expense when the obligation is incurred.

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

Reclassifications: Certain expenses have been reclassified to conform to the current year presentation with no effect on the prior year's change in net assets. For the year ended June 30, 2017, \$60,518 of contributions expense was reclassified to consulting expense. Additionally, \$1,167,826 was reclassified from the Council Relations Directorate to the Executive Office category.

Cash and cash equivalents: For financial statement purposes, the Council considers all checking accounts, overnight repurchase agreements, money market funds and highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents except for money market funds held in the investment portfolio.

Accounts receivable: Accounts receivable consists primarily of registration fees for examinations which have been collected by the Council's third-party exam administrator but not yet remitted to the Council. Accounts receivable are presented at the net amount due to the Council. The Council's management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the Council's relationship with the customer, and the age of the receivable balance. The Council has established an allowance for doubtful accounts to estimate the portion of receivables that will not be collected, which is regularly reviewed by management. The allowance for doubtful accounts was \$0 for each of the years ended June 30, 2018 and 2017, respectively.

Deferred revenue: Deferred revenue consists primarily of cash received for record renewals and examination registrations which have been received in advance of the record expiration date and examination date, respectively.

National Council of Architectural Registration Boards

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net assets: Net assets are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions. A description of the Council's net asset groups is as follows:

Unrestricted, undesignated: Net assets held by the Council and its regional conferences whose use is not restricted by donors or internally designated for other uses.

Unrestricted, designated: Unrestricted, designated net assets consist of funds designated by the Board of Directors to be used for specific purposes. The Centennial Fund was created to support projects and initiatives associated with the 2019 NCARB Centennial. The Business Development Fund was created to support development and sale of proprietary software products to third parties.

Revenue recognition: Revenue from the Council's record services is recognized when the work is completed, and revenue for annual renewals is recognized at the time the record expires. Revenue from membership dues is billed and recognized on a fiscal year basis. The revenue associated with the Architect Registration Examination (ARE) is recognized when registrants take the divisions of the examination. The Council reported ARE 4.0 revenue net of third-party exam administration fees. In accordance with the contractual agreement for ARE 4.0, the exam administrator withheld its fees from the amounts collected from the candidates and remitted the net amount to the Council. For ARE 5.0, the Council's newest examination version, revenue and the related third-party exam administration fees are reported at gross based on a new contractual agreement which requires the Council to withhold and pay fees from the amounts collected from the candidates.

Subsequent events: Subsequent events have been evaluated through September 7, 2018, which is the date the financial statements were available to be issued.

B. CREDIT AND MARKET RISK

Credit risk: The Council maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portion of these accounts is backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to the Council.

Market risk: The Council invests in various investment instruments. Investments 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 that such changes could materially affect the amounts reported in the statement of financial position.

Overnight repurchase agreements involve investment risks, including the possible loss of principle. The mortgage-backed securities bought and sold daily are collateralized by one or more pools of residential mortgage loans that conform to the standards of the Federal National Mortgage Association ("FNMA" or "Fannie Mae") or the Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") at the time of securitization. The Council had \$3,488,399 and \$2,903,137 in its overnight repurchase agreements account at June 30, 2018 and 2017, respectively.

National Council of Architectural Registration Boards

Notes to the Financial Statements

C. INVESTMENTS

In accordance with generally accepted accounting principles, the Council uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts. The Council does not hold any level 3 financial instruments.

The following is a summary of the input levels used to determine fair values at June 30, 2018:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income securities				
Corporate bonds	\$ 2,286,198	\$ -	\$ 2,286,198	\$ -
Asset-backed securities	583,658	-	583,658	-
Government bonds	1,701,506	-	1,701,506	-
Mutual funds	2,564,547	2,564,547	-	-
Exchange-traded funds	1,866,185	1,866,185	-	-
Equity securities				
Mutual funds	1,998,244	1,998,244	-	-
Exchange-traded funds	9,774,202	9,774,202	-	-
Investments carried at fair value	<u>\$ 20,774,540</u>	<u>\$ 16,203,178</u>	<u>\$ 4,571,362</u>	<u>\$ -</u>
Certificate of deposits *	1,930,794			
Cash and money market funds *	506,307			
Total investments	<u>\$ 23,211,641</u>			

National Council of Architectural Registration Boards

Notes to the Financial Statements

C. INVESTMENTS – CONTINUED

The following is a summary of the input levels used to determine fair values at June 30, 2017:

	Total	Level 1	Level 2	Level 3
Fixed income securities				
Corporate bonds	\$ 2,237,637	\$ -	\$ 2,237,637	\$ -
Asset-backed securities	440,533	-	440,533	-
Government bonds	908,493	-	908,493	-
Mutual funds	2,195,904	2,195,904	-	-
Exchange-traded funds	995,216	995,216	-	-
Equity securities				
Mutual funds	1,537,617	1,537,617	-	-
Exchange-traded funds	8,522,867	8,522,867	-	-
Investments carried at fair value	\$ 16,838,267	\$ 13,251,604	\$ 3,586,663	\$ -
Certificate of deposits *	2,648,516			
Cash and money market funds *	874,532			
Total investments	\$ 20,361,315			

* Cash and money market funds and certificates of deposit included in the investment portfolio are not subject to the provisions of fair value measurements as they are recorded at cost.

Investments classified in level 2 were valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach to obtain pricing spreads based on the credit risk of the issuer, maturity, current yield, and other terms and conditions of each security. Management believes the estimated fair values of assets classified in level 2 to be a reasonable approximation of the exit price for these investments.

The Board of Directors has designated that the Council's investments be allocated between short and long-term reserve funds, which were allocated as follows as of June 30,:

	2018	2017
Centennial fund	437,000	\$ 500,000
Short-term reserve	3,580,508	3,369,298
Long-term reserve	19,194,133	16,492,017
	\$ 23,211,641	\$ 20,361,315

National Council of Architectural Registration Boards

Notes to the Financial Statements

C. INVESTMENTS – CONTINUED

Interest and dividends are reported as operating activities, while the current year changes in fair value of investments (realized and unrealized gains and losses) are reported as non-operating activities. Investment fees are reported as a component of the Administration Directorate. Investment return consists of the following for the years ended June 30,:

	2018	2017
Interest and dividends	\$ 503,660	\$ 472,592
Realized gain on investments	133,241	270,754
Unrealized gain on investments	463,490	757,499
Investment fees	(94,161)	(85,467)
	\$ 1,006,230	\$ 1,415,378

Investment purchases and sales between investment accounts for the year ended June 30, 2018 were \$6,415,889 and \$3,794,999, respectively, and investment purchases and sales between investment accounts for the year ended June 30, 2017 were \$8,329,720 and \$7,541,635, respectively.

D. PROPERTY, EQUIPMENT, AND CAPITALIZED SOFTWARE

Acquisitions of property and equipment greater than \$2,000 are recorded at cost and depreciated using the straight-line method over their respective useful lives, ranging from three to ten years. Leasehold improvements are amortized on a straight-line method over the shorter of the lease term or estimated useful life of the asset.

Property, equipment and capitalized software consists of the following at June 30,:

	2018	2017
Furniture and equipment	\$ 725,720	\$ 730,129
Leasehold improvements	845,355	845,355
Computer software	4,907,778	4,357,044
Examination services system	3,335,151	3,335,151
	9,814,004	9,267,679
Less: accumulated depreciation and amortization	(5,275,661)	(3,890,525)
	\$ 4,538,343	\$ 5,377,154

National Council of Architectural Registration Boards

Notes to the Financial Statements

D. PROPERTY, EQUIPMENT, AND CAPITALIZED SOFTWARE – CONTINUED

During fiscal year 2012, the Council selected a new vendor to manage the content and candidate management components of its examination services. As part of the transition process, work began on the development of a new testing system and the conversion of data from the old system. These transition costs have been capitalized in accordance with GAAP. The components were placed into service during the year ended June 30, 2014 and will be amortized over the period of the agreement with the vendor. Amortization expense relating to this asset was \$370,572 for each of the years ended June 30, 2018 and 2017.

E. LINE OF CREDIT

During 2017, the Council opened a revolving line of credit collateralized with its assets that are held at the financial institution. The line of credit allows maximum borrowings up to \$5,000,000 and bears interest at a variable rate based upon the outstanding balance and estimated repayment period. During the year ended June 30, 2018, no amounts were drawn on the line of credit and no amounts were outstanding under this line of credit as of June 30, 2018.

F. RETIREMENT PLANS

The Council has a 457(b) salary deferral plan for key executives. As part of the plan, the Council reports assets and liabilities of equal amounts attributable to the amount deferred and the related investment earnings. The Council's invested assets of deferred compensation consist of equity and fixed income mutual funds, which are classified as level 1 securities in accordance with GAAP. The balance in the deferred compensation plan is \$519,892 and \$470,741 at June 30, 2018 and 2017, respectively.

Effective July 1, 2000, the Council adopted a defined contribution 401(k) plan (the Plan) for employees. Effective July 1, 2003, the Council amended certain terms of the Plan to make employees immediately eligible to contribute a percentage of their compensation to the Plan.

The Council may make annual discretionary contributions to the Plan. In order to be eligible for this discretionary contribution, an employee must complete six months of service before a plan entry date (January 1 or July 1), must complete 500 hours of service during the plan year, and must be actively employed on the last day of the plan year (December 31). Employees begin vesting in the discretionary contribution at the end of their second year of service, fully vesting at the end of six years of service. The Council elected to institute Qualified Non-Elective contributions of 3% of employee compensation, effective January 1, 2009. The Plan also provides for self-directed investments by employees. The Council made Qualified Non-Elective contributions of \$287,457 and \$276,472 and discretionary contributions of \$227,000 and \$203,000 for the years ended June 30, 2018 and 2017, respectively.

National Council of Architectural Registration Boards

Notes to the Financial Statements

G. OPERATING LEASES

The Council leases office space, mailing, copying and computer equipment under non-cancelable operating leases. In connection with an operating lease arrangement for office space at 1801 K Street NW entered into in December 2008, the Council was granted certain incentives from the lessor, including a rent abatement and construction allowance. In May 2013, an additional \$350,000 lease incentive was granted to the Council in exchange for the Council giving up an option for expansion for additional space. The deferred rent and lease incentive liability recorded at June 30, 2018 and 2017 results from recording the variance between rent expense on a straight-line basis and cash flow basis over the term of the lease in accordance with GAAP. The office lease at 1801 K Street NW ends December 31, 2020.

During 2017, the Council negotiated a new office lease at 1401 H Street NW, which will start on March 1, 2019 and extend through February 2034. The new lease contains various incentives such as 24 months of abated rent and a tenant improvement allowance.

Future minimum lease payments, exclusive of the Council's pro rata share of additional operating expenses, under non-cancelable office space leases at June 30, 2018 are as follows:

Year Ending June 30,	
2019	\$ 1,767,425
2020	1,811,620
2021	1,412,915
2022	1,500,160
2023	1,537,680
Thereafter	<u>18,992,400</u>
	<u>\$ 27,022,200</u>

The Council paid rental expense of \$1,889,716 and \$1,930,408 for the years ended June 30, 2018 and 2017, respectively.

H. COMMITMENTS

The Council has several contracts with hotels for future meetings and conferences. All of the contracts contain a clause whereby the Council is liable for a portion of the costs of hotel rooms in the event of cancellation. The Council does not consider this to be a significant risk, as the Council does not anticipate any future cancellations, and the individual cancellation amounts would be immaterial to the financial statements as a whole.

National Council of Architectural Registration Boards

Notes to the Financial Statements

I. REGIONAL CONFERENCES

Included in the Council's financial statements are the regional conferences' assets, liabilities, net assets and change in net assets, which are as follows as of and for the years ended June 30,:

	2018	2017
Assets		
Cash and cash equivalents	\$ 496,832	\$ 499,935
Investments	69,761	69,484
Total assets	<u>\$ 566,593</u>	<u>\$ 569,419</u>
Liabilities and net assets		
Accounts payable	\$ 10,801	\$ 52,254
Net assets		
Beginning of the year	517,165	518,573
Change in net assets	38,627	(1,408)
Regional conferences' net assets	<u>555,792</u>	<u>517,165</u>
Total liabilities and net assets	<u>\$ 566,593</u>	<u>\$ 569,419</u>

J. CASH FLOWS

The following schedule reflects the reconciliation of the change in net assets to cash provided by operating activities for the years ended June 30,:

	2018	2017
Change in net assets	\$ 2,565,923	\$ 2,361,787
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,791,277	1,404,643
Realized and unrealized gain on investments	(596,731)	(1,028,253)
Reinvested dividend income	(409,497)	(387,128)
Changes in assets and liabilities:		
Accounts receivable	90,343	175,263
Prepaid expenses and other assets	(95,697)	(99,893)
Accounts payable and accrued expenses	293,053	96,512
Accrued payroll and related liabilities	64,751	(138,427)
Deferred revenue	164,890	230,319
Deferred rent and lease incentive	(324,962)	(282,973)
Net cash provided by operating activities:	<u>\$ 3,543,350</u>	<u>\$ 2,331,850</u>