



International Right of Way Association

Financial Statements

Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
International Right of Way Association
Gardena, California

Opinion

We have audited the financial statements of International Right of Way Association, which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of International Right of Way Association as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Right of Way Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about International Right of Way Association's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT - Continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 International Right of Way Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Right of Way Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mann Weitz & Associates LLC

MANN. WEITZ & ASSOCIATES L.L.C.
Deerfield, Illinois

October 14, 2025

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 302,379	\$ 1,174,328
Accounts receivable, net of allowance of \$17,819 and \$10,946 for 2025 and 2024, respectively	191,738	180,881
Contributions receivable - Note 5	100,996	88,678
Inventory	79,240	60,608
Prepaid expenses	<u>200,578</u>	<u>243,114</u>
Total Current Assets	<u>874,931</u>	<u>1,747,609</u>
Property and Equipment, net - Note 6	<u>1,664,739</u>	<u>1,558,154</u>
Other Assets		
Deposits	16,813	16,767
Investments - Notes 3 and 4	<u>2,775,338</u>	<u>2,217,274</u>
Total Other Assets	<u>2,792,151</u>	<u>2,234,041</u>
Total Assets	<u><u>\$ 5,331,821</u></u>	<u><u>\$ 5,539,804</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 754,951	\$ 1,141,321
Deferred membership dues revenue	905,759	865,585
Deferred other revenue	<u>179,601</u>	<u>220,672</u>
Total Liabilities	1,840,311	2,227,578
Net Assets Without Donor Restrictions	<u>3,491,510</u>	<u>3,312,226</u>
Total Liabilities and Net Assets	<u><u>\$ 5,331,821</u></u>	<u><u>\$ 5,539,804</u></u>

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Membership dues	\$ 1,738,371	\$ -	\$ 1,738,371	\$ 1,651,549	\$ -	\$ 1,651,549
Annual education conference	922,690		922,690	968,225		968,225
Educational courses net of scholarships in the amount of \$57,720 and \$94,716 during the years ended June 30, 2025 and 2024	1,921,152		1,921,152	1,650,398		1,650,398
Right of Way magazine	151,448		151,448	193,756		193,756
Contributions and grants - Note 13		194,470	194,470		145,437	145,437
Investment income - Note 3	309,060		309,060	350,562		350,562
SR/WA and certification fees	95,938		95,938	91,809		91,809
Pipeline committee	28,733		28,733	27,995		27,995
Other	14,667		14,667	20,113		20,113
Total Revenues and Gains	5,182,059	194,470	5,376,529	4,954,407	145,437	5,099,844
Net assets released from restriction - Note 9	194,470	(194,470)		145,437	(145,437)	
Total Revenue, Gains and Other Support	5,376,529		5,376,529	5,099,844		5,099,844
Expenses						
Program Services						
Annual education conference	1,225,882		1,225,882	1,456,383		1,456,383
Educational courses	746,429		746,429	664,378		664,378
Right of Way magazine	249,240		249,240	210,512		210,512
Member services	583,058		583,058	485,460		485,460
SR/WA and certification expenses	164,724		164,724	161,888		161,888
Total Program Services	2,969,333		2,969,333	2,978,621		2,978,621
Supporting Services						
Management and general	1,428,249		1,428,249	1,343,200		1,343,200
Membership maintenance and promotion	119,131		119,131	142,263		142,263
Board of Directors and governance	680,532		680,532	584,416		584,416
Total Supporting Services	2,227,912		2,227,912	2,069,879		2,069,879
Total Expenses	5,197,245		5,197,245	5,048,500		5,048,500
Change in Net Assets	179,284		179,284	51,344		51,344
Net Assets						
Beginning of year	3,312,226		3,312,226	3,260,882		3,260,882
End of year	<u>\$ 3,491,510</u>	<u>\$ -</u>	<u>\$ 3,491,510</u>	<u>\$ 3,312,226</u>	<u>\$ -</u>	<u>\$ 3,312,226</u>

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services				Total
	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	
Awards and recognition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,746	\$ -	\$ 4,746	\$ 4,746
Bad debt expense							6,873			6,873	6,873
Bank charges							201,335			201,335	201,335
Building expenses (including depreciation)	15,111	18,841	7,804	19,514	8,138	69,408	49,634	982	3,347	53,963	123,371
Computer consulting fees				26,569		26,569					26,569
Depreciation and amortization - other	6,330	7,892	3,269	8,174	3,409	29,074	20,791	411	1,402	22,604	51,678
Dues							6,253	689		6,942	6,942
Education and meetings		386,676				386,676					386,676
Employees - temporary and training							22,645			22,645	22,645
Equipment leases							1,553			1,553	1,553
Insurance							13,889		13,889	27,778	27,778
International Conference	923,156					923,156					923,156
Other Conference	588					588					588
Marketing								76,681		76,681	76,681
Membership development				10,964		10,964					10,964
Membership directory				670		670		3,452	42,646	46,098	46,768
Miscellaneous				117,673		117,673	68,956			68,956	186,629
Pipeline committee				24,724		24,724					24,724
Postage	2,231		1,464	4,894	1,437	10,026	14,505	2,428	92	17,025	27,051
Professional fees							44,337			44,337	44,337
Publication			91,303			91,303					91,303
Repairs and maintenance	5,568		3,653	12,214	3,587	25,022	36,201	6,059	231	42,491	67,513
Salaries, taxes and benefits	263,258	328,250	135,958	339,968	141,781	1,209,215	864,722	17,108	58,303	940,133	2,149,348
Supplies	1,413	1,761	729	1,824	760	6,487	4,636	91	313	5,040	11,527
SR/WA and certification					567	567					567
Taxes and licenses - Note 10							26,194			26,194	26,194
Telephone	2,413	3,009	1,246	3,116	1,300	11,084	7,926	157	534	8,617	19,701
Travel									559,534	559,534	559,534
Website	5,814		3,814	12,754	3,745	26,127	37,799	6,327	241	44,367	70,494
Total Expenses	\$ 1,225,882	\$ 746,429	\$ 249,240	\$ 583,058	\$ 164,724	\$ 2,969,333	\$ 1,428,249	\$ 119,131	\$ 680,532	\$ 2,227,912	\$ 5,197,245

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services				Total
	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	
Awards and recognition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,334	\$ -	\$ 4,334	\$ 4,334
Bad debt expense							6,226			6,226	6,226
Bank charges							168,724			168,724	168,724
Building expenses (including depreciation)	18,577	18,223	5,927	18,693	8,132	69,552	48,990	2,575	2,042	53,607	123,159
Computer consulting fees				5,750		5,750					5,750
Depreciation and amortization - other	7,880	7,730	2,514	7,930	3,450	29,504	20,781	1,092	866	22,739	52,243
Dues							4,936	3,588		8,524	8,524
Education and meetings		321,644				321,644					321,644
Employees - temporary and training							16,666			16,666	16,666
Equipment leases							1,701			1,701	1,701
Insurance							14,147		14,147	28,294	28,294
International Conference	1,081,537					1,081,537					1,081,537
Other Conference	12,944					12,944					12,944
Marketing								69,723		69,723	69,723
Membership development				5,299		5,299					5,299
Membership directory				2,885		2,885		2,569	40,864	43,433	46,318
Miscellaneous				68,523		68,523	61,503			61,503	130,026
Pipeline committee				23,964		23,964					23,964
Postage	1,907		1,251	4,183	1,228	8,569	12,399	2,075	79	14,553	23,122
Professional fees							46,475			46,475	46,475
Publication			90,835			90,835					90,835
Recruitment							12,729			12,729	12,729
Repairs and maintenance	4,981		3,267	10,925	3,208	22,381	32,380	5,420	206	38,006	60,387
Salaries, taxes and benefits	317,368	311,328	101,251	319,362	138,927	1,188,236	836,957	43,989	34,894	915,840	2,104,076
Supplies	1,650	1,620	527	1,662	723	6,182	4,355	229	182	4,766	10,948
SR/WA and certification					883	883					883
Taxes and licenses - Note 10							7,317			7,317	7,317
Teleconferencing	909	892	290	915	398	3,404	2,397	126	100	2,623	6,027
Telephone	2,998	2,941	956	3,016	1,312	11,223	7,905	415	330	8,650	19,873
Travel									490,473	490,473	490,473
Website	5,632		3,694	12,353	3,627	25,306	36,612	6,128	233	42,973	68,279
Total Expenses	\$ 1,456,383	\$ 664,378	\$ 210,512	\$ 485,460	\$ 161,888	\$ 2,978,621	\$ 1,343,200	\$ 142,263	\$ 584,416	\$ 2,069,879	\$ 5,048,500

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 179,284	\$ 51,344
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Loss on dispositions of property and equipment	59	
Depreciation and amortization	88,774	89,265
Net gain on investments	(195,304)	(235,677)
Net (increase) decrease in assets		
Accounts receivable	(10,857)	(111,085)
Contributions receivable	(12,318)	(75,838)
Inventory	(18,632)	2,789
Prepaid expenses	42,536	(40,108)
Deposits	(46)	437
Net increase (decrease) in liabilities		
Accounts payable and accrued expenses	(386,370)	364,315
Deferred membership dues revenue	40,174	24,850
Deferred other revenue	(41,071)	62,636
Net Cash Provided by (Used for) Operating Activities	<u>(313,771)</u>	<u>132,928</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(195,418)	(65,935)
Purchase of investments	(1,012,760)	(1,438,358)
Proceeds from sale of investments	650,000	1,623,875
Net Cash Provided by (Used for) Investing Activities	<u>(558,178)</u>	<u>119,582</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(871,949)</u>	<u>252,510</u>
Cash and Cash Equivalents		
Beginning of year	<u>1,174,328</u>	<u>921,818</u>
End of year	<u><u>\$ 302,379</u></u>	<u><u>\$ 1,174,328</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for income taxes	\$ 22,813	\$ 4,000

The accompanying notes are an integral part of this statement.

INTERNATIONAL RIGHT OF WAY ASSOCIATION NOTES TO FINANCIAL STATEMENTS

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 7,700 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.

INTERNATIONAL RIGHT OF WAY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

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

Concentration of Credit Risk

The Association maintains cash balances in certain financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times balances in these accounts may exceed the insured limits. At June 30, 2025 and 2024, the Association's cash balances exceeding federally insured limits totaled approximately \$235,000 and \$845,000, respectively. The Association has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

Allowance for Credit Losses

The Association provides for losses on accounts receivable using the current expected credit loss methodology. Under this method, accounts receivable are stated at the amount management expects to collect from outstanding balances based upon the estimated credit loss for the remaining life of the accounts receivable using historical experience, current conditions, and reasonable and supportable forecast.

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 or net realizable value.

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

INTERNATIONAL RIGHT OF WAY ASSOCIATION NOTES TO FINANCIAL STATEMENTS

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

Property and Equipment - Continued

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.

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.

Membership Dues and Deferred 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. The membership dues are on a calendar year basis. The membership opportunities and benefits are provided on an ongoing basis throughout the year. Therefore, the Association's performance obligation is recognized ratably throughout the fiscal year. 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.

Annual Education Conference and Educational Course

Revenue from contracts with members and non-members for the annual education conference is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing goods and services including speakers, education materials, activities, meals, and networking opportunities during the meeting. Revenue is recognized as performance obligations are satisfied at the time of the meeting occurrence. Conference and course registration fees received in the current period which are applicable to a future period are included in other deferred revenue.

Right of Way Magazine

The Association recognizes revenue from contracts with customers for the publication of advertisements in its bi-monthly *Right of Way* magazine. Advertising revenue is recognized at a point in time when the advertisements appear in the magazine and are priced based on placement in the magazine, size and color. Advertising fees received in the current period which are applicable to a future period are included in deferred other revenue.

INTERNATIONAL RIGHT OF WAY ASSOCIATION NOTES TO FINANCIAL STATEMENTS

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

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.

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, 2025 and 2024, the Association had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

The Association has evaluated subsequent events for potential recognition and/or disclosures through October 14, 2025, the date the financial statements were available to be issued.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

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:

	2025	2024
Cash and equivalents	\$ 302,379	\$ 1,174,328
Investments	2,775,338	2,217,274
Accounts receivable	191,738	180,881
Contributions receivable	100,996	88,678
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,370,451</u>	<u>\$ 3,661,161</u>

3. INVESTMENTS AND INVESTMENT INCOME

Investments at June 30, 2025 and 2024, are comprised of the following:

	2025	2024
Money market funds	\$ 216,489	\$ 9,235
Mutual funds		
Bond funds	1,122,229	1,036,922
Equity funds	1,436,620	1,171,117
Total Investments	<u>\$ 2,775,338</u>	<u>\$ 2,217,274</u>

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.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

3. INVESTMENTS AND INVESTMENT INCOME - Continued

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

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 113,756	\$ 114,885
Unrealized gain	195,304	201,094
Realized gain	<u> </u>	<u>34,583</u>
Total Investment Income	<u>\$ 309,060</u>	<u>\$ 350,562</u>

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.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS - Continued

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

		<u>June 30, 2025</u>		
		<u>Fair Value Measurements Using</u>		
<u>Description</u>	<u>Total</u>	<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
		<u>in Active Markets</u>	<u>Other</u>	<u>Unobservable</u>
		<u>For Identical</u>	<u>Observable</u>	<u>Inputs</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 216,489	\$ 216,489	\$ -	\$ -
Bond mutual funds	1,122,229	1,122,229		
Equity mutual funds	1,436,620	1,436,620		
Total Investments	<u>\$ 2,775,338</u>	<u>\$ 2,775,338</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>June 30, 2024</u>		
		<u>Fair Value Measurements Using</u>		
<u>Description</u>	<u>Total</u>	<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
		<u>in Active Markets</u>	<u>Other</u>	<u>Unobservable</u>
		<u>For Identical</u>	<u>Observable</u>	<u>Inputs</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 9,235	\$ 9,235	\$ -	\$ -
Bond mutual funds	1,036,922	1,036,922		
Equity mutual funds	1,171,117	1,171,117		
Total Investments	<u>\$ 2,217,274</u>	<u>\$ 2,217,274</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

5. CONTRIBUTIONS RECEIVABLE

The Association received several contributions from the Right of Way International Education Foundation (RWIEF), 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 for Association programs, to fund development of new courses, and to fund updating the Association's textbook. Contributions receivable at June 30 are due as follows:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 100,996	\$ 88,678
Total	<u>\$ 100,996</u>	<u>\$ 88,678</u>

6. PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Land	\$ 509,004	\$ 509,004
Building	1,477,951	1,443,873
Office computer system	383,204	447,922
Office furniture and equipment	285,822	300,662
Online curriculum	1,315,263	1,176,208
Website redesign	<u>110,840</u>	<u>110,840</u>
	4,082,084	3,988,509
Less: Accumulated depreciation and amortization	<u>2,417,345</u>	<u>2,430,355</u>
Net Property and Equipment	<u>\$ 1,664,739</u>	<u>\$ 1,558,154</u>

Depreciation and amortization expense was \$88,774 and \$89,265 for the years ended June 30, 2025 and 2024, respectively.

INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

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 \$66,413 and \$64,134 for the years ended June 30, 2025 and 2024, respectively.

8. OPENING AND CLOSING BALANCES OF CONTRACT ASSETS AND LIABILITIES

The following table provides information about accounts receivable and deferred revenue balances at:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>July 1, 2023</u>
Accounts receivable, net	\$ 191,738	\$ 180,881	\$ 69,796
Deferred revenues			
Deferred membership dues	\$ 905,759	\$ 865,585	\$ 840,735
Deferred other	179,601	220,672	158,036

Revenue recognized for the years ended June 30, 2025 and 2024 that was included in the deferred revenue balance at the beginning of each year was \$1,086,257 and \$998,771, respectively.

9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2025 and 2024, as follows:

	<u>2025</u>	<u>2024</u>
Scholarship fund	\$ 57,720	\$ 94,716
Course development	136,750	30,000
Textbook		20,721
Total	<u>\$ 194,470</u>	<u>\$ 145,437</u>

INTERNATIONAL RIGHT OF WAY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

10. 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 \$22,813 and \$4,000 for the years ended June 30, 2025 and 2024, respectively.

11. 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.

12. 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.

13. CONDITIONAL GRANTS

During the years ended June 30, 2023 and 2022, the Association was awarded two conditional grants of up to \$170,000 each. The grants are conditioned upon awarding scholarships to members for a two year period commencing June 1, 2022 and June 1, 2023, based on selective criteria as set forth in the grant agreement. Revenue recognized was \$31,440 and \$79,150 for the years ended June 30, 2025 and 2024, respectively. Revenue recognized during the year was due to conditions of the grant being satisfied. The conditional grants expired on May 31, 2025, and May 31, 2024.

During the year ended June 30, 2022, the Association was awarded \$50,000 conditioned upon developing three courses within a two year period commencing April 1, 2022. Revenue recognized was \$20,000 and \$30,000 for the years ended June 30, 2025 and 2024, respectively. Revenue recognized during the year was due to conditions of the grant being satisfied.

During the year ended June 30, 2023, the Association was awarded \$102,225 conditioned upon completing two projects. Revenue recognized was \$25,000 and \$20,721 for the years ended June 30, 2025 and 2024, respectively. Revenue recognized during the year was due to conditions of the grant being satisfied. The Association may recognize up to \$42,025 for completing the second project of this conditional pledge during the remainder of the grant term, for which the end date has currently not yet been set, if the Association satisfies the conditions of the grant.

INTERNATIONAL RIGHT OF WAY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

13. CONDITIONAL GRANTS - Continued

During the year ended June 30, 2023, the Association was awarded \$43,000 conditioned upon rewriting three courses. Revenue recognized was \$7,500 for the year ended June 30, 2025 due to conditions of the grant being satisfied. The Association may recognize the remaining \$35,500 for the conditional grant if the Association satisfies the conditions of the grant.

During the year ended June 30, 2023, the Association was awarded \$30,000 conditioned upon rewriting a course. Revenue recognized was \$20,000 for the year ended June 30, 2025 due to conditions for the grant being satisfied in full.

During the year ended June 30, 2023, the Association was awarded a conditional grant up to \$225,000. The grant was conditioned upon awarding scholarships to members for a one year period commencing July 1, 2023, based on selective criteria as set forth in the grant agreement. Revenue recognized was \$2,830 and \$19,651 for the years ended June 30, 2025 and 2024, respectively. Revenue recognized during the years was due to conditions of the grant being satisfied. This conditional grant expired on June 30, 2024.

During the year ended June 30, 2024, the Association was awarded a conditional grant up to \$180,000. The grant was conditioned upon awarding scholarships to members for a two-year period commencing July 1, 2025, based on selective criteria as set forth in the grant agreement. Revenue of \$680 was recognized during the year ended June 30, 2025 because conditions of the grant were satisfied. The Association may recognize the remaining \$179,320 for the conditional grant if the Association satisfies the conditions of the grant during the remaining term.

During the year ended June 30, 2024, the Association was awarded a conditional grant of up to \$23,265. The grant was conditioned upon awarding scholarships to members expiring in May 2025. Revenue recognized was \$22,770 for the year ended June 30, 2025 due to conditions of the grant being satisfied.

During the year ended June 30, 2024, the Association was awarded \$134,250 conditioned upon updating and developing courses. Revenue recognized was \$64,250 for the year ended June 30, 2025 due to conditions of the grant being satisfied. The Association may recognize the remaining \$70,000 for the conditional grant if the Association satisfies the conditions of the grant during the remaining term.

During the year ended June 30, 2025, the Association was awarded a conditional grant of up to \$150,000. The grant is conditioned upon awarding scholarships to members for a three-year period commencing July 1, 2025.

**INTERNATIONAL RIGHT OF WAY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

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.

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