



**INTERNATIONAL COACH FEDERATION, INC.
AND SUBSIDIARY**

LEXINGTON, KENTUCKY

**CONSOLIDATED FINANCIAL STATEMENTS
REPORT OF INDEPENDENT AUDITORS**

MARCH 31, 2020 AND 2019

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
International Coach Federation, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of International Coach Federation, Inc. and its subsidiary (both nonprofit organizations and hereby referred to collectively as ICF), which comprise the consolidated statements of financial position as of March 31, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors of
International Coach Federation, Inc. and Subsidiary

Opinion

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

Changes in Accounting Principles

As discussed in Note 5 to the financial statements, effective April 1, 2019, ICF adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, and ASU No. 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Blue & Co., LLC

Lexington, Kentucky
September 29, 2020

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MARCH 31, 2020 AND 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$ 6,189,970	\$ 7,620,292
Accounts receivable	286,024	262,499
Prepaid expenses	492,568	648,867
Total current assets	6,968,562	8,531,658
Investments	9,457,184	8,577,364
Website and computer software	588,209	526,210
Accumulated amortization	(496,300)	(451,256)
Website development, net	91,909	74,954
Total assets	<u>\$ 16,517,655</u>	<u>\$ 17,183,976</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1,059,853	\$ 968,620
Deferred revenue	3,244,686	4,638,426
Total current liabilities	4,304,539	5,607,046
Net assets:		
Without donor restrictions	12,213,116	11,576,930
Total liabilities and net assets	<u>\$ 16,517,655</u>	<u>\$ 17,183,976</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES
MARCH 31, 2020 AND 2019

	2020	2019
Revenues:		
Memberships	\$ 8,152,860	\$ 7,696,970
Credentialing	2,956,612	3,200,522
Programs	974,565	962,940
Conferences	931,679	332,148
Investment income	331,772	284,799
Research and development	246,291	18,170
Royalties	237,122	244,609
Contributions	115,680	101,482
Grants	27,200	21,300
Miscellaneous	18,493	30,128
Realized and unrealized gains (losses), net	(205,122)	134,521
	<hr/>	<hr/>
Total revenues	13,787,152	13,027,589
Expenses:		
Program services	6,500,818	5,424,170
Supporting services:		
Membership services	5,263,124	4,983,634
Management and general	1,359,782	1,127,657
Fundraising	27,242	28,044
	<hr/>	<hr/>
Total expenses	13,150,966	11,563,505
Change in net assets without donor restrictions	636,186	1,464,084
Net assets, without donor restrictions, beginning of year	<hr/>	<hr/>
	11,576,930	10,112,846
Net assets, without donor restrictions, end of year	<hr/> <hr/>	<hr/> <hr/>
	\$ 12,213,116	\$ 11,576,930

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2020

	Supporting services				Total
	Program services	Membership development	Management and general	Fundraising	
Accounting	\$	\$	\$ 7,175	\$	\$ 7,175
Advertising and promotion	32,267	686,354			718,621
Amortization	22,522	22,522			45,044
Bank and credit card fees	165,629	300,251	66,243		532,123
Chapter and membership	300,865	282,426	175		583,466
Chapter rebates		869,950			869,950
Coaching and training	123,653	10,715	40,511		174,879
Consulting	225,108	14,255	15,043		254,406
Contract labor	17,256	606			17,862
Credentialing	775,008	533,749			1,308,757
Currency exchange fees		114,765			114,765
Facility rental	202,261				202,261
Fundraising development				14,784	14,784
Information technology	324,763	21,697	84,476		430,936
Insurance	9,129		24,254		33,383
Legal	21,476	21,476	37,417		80,369
Licensing fees	3,264	264	282		3,810
Management fees	2,863,490	2,120,148	635,556	12,458	5,631,652
Meals	124,400		64,275		188,675
Meetings	471,718	47,548	82,338		601,604
Miscellaneous	43,617	3,448	20,165		67,230
Office expense	59,176	46,159	28,172		133,507
Programming fees	21,144	21,144			42,288
Registration and tradeshow	133,067	50,766			183,833
Regulatory evaluation	47,575	6,270			53,845
Speaker fees	43,106				43,106
Supplies	28,783	12,589			41,372
Translation services		8,260			8,260
Travel	441,541	67,762	253,700		763,003
Total expenses	<u>\$ 6,500,818</u>	<u>\$ 5,263,124</u>	<u>\$ 1,359,782</u>	<u>\$ 27,242</u>	<u>\$ 13,150,966</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED MARCH 31, 2019

	Supporting services				Total
	Program services	Membership development	Management and general	Fundraising	
Accounting	\$	\$	\$ 7,385	\$	\$ 7,385
Advertising and promotion	11,463	699,825			711,288
Amortization	73,593	73,593			147,186
Bank and credit card fees	170,691	285,013	59,356		515,060
Chapter and membership	214,036	269,643	453		484,132
Chapter rebates		805,980			805,980
Coaching and training	105,963	5,053	33,022		144,038
Consulting	54,959	23	13,441		68,423
Contract labor	16,556	529			17,085
Credentialing	737,753	523,976			1,261,729
Currency exchange fees		100,942			100,942
Facility rental	61,875				61,875
Fundraising development				15,938	15,938
Information technology	403,024	21,612	11,666		436,302
Insurance	2,792		21,684		24,476
Legal			32,099		32,099
Licensing fees	3,539	539	750		4,828
Management fees	2,585,828	1,940,863	528,155	12,106	5,066,952
Meals	80,483		68,901		149,384
Meetings	308,793	49,098	91,393		449,284
Miscellaneous	25,024		11,369		36,393
Office expense	42,448	42,862	26,881		112,191
Programming fees	27,496	27,496			54,992
Registration and tradeshow	75,689	70,797			146,486
Regulatory evaluation	11,481	5,981			17,462
Speaker fees	26,505				26,505
Supplies	28,839	18,348			47,187
Translation services		10,442			10,442
Travel	355,340	31,019	221,102		607,461
Total expenses	\$ 5,424,170	\$ 4,983,634	\$ 1,127,657	\$ 28,044	\$ 11,563,505

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2020 AND 2019

Cash flows from operating activities:	2020	2019
Change in net assets without donor restrictions	\$ 636,186	\$ 1,464,084
Adjustments to reconcile net assets without donor restrictions to net cash provided by operating activities:		
Amortization	45,045	147,187
Realized and unrealized losses (gains), net	205,122	(134,521)
Changes in operating assets and liabilities:		
Accounts receivable	(23,525)	(59,690)
Prepaid expenses	156,299	(196,796)
Accounts payable	91,233	60,755
Deferred revenue	(1,393,740)	665,636
Net cash provided by operating activities	(283,380)	1,946,655
 Cash flows from investing activities:		
Computer software	(62,000)	-0-
Purchases of investments	(6,886,535)	(5,457,330)
Proceeds from sales and maturities of investments	5,801,593	5,357,167
Net cash used by investing activities	(1,146,942)	(100,163)
 Net change in cash and cash equivalents	(1,430,322)	1,846,492
 Cash and cash equivalents at beginning of year	7,620,292	5,773,800
 Cash and cash equivalents at end of year	\$ 6,189,970	\$ 7,620,292

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of International Coach Federation, Inc. (the Federation), and its wholly owned subsidiary International Coach Federation Foundation, Inc., (the Foundation; collectively referred to as ICF) is presented to assist in understanding ICF's consolidated financial statements. The consolidated financial statements and notes are representations of ICF's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the consolidated financial statements. All significant inter-company accounts and transactions have been eliminated in consolidation.

Nature of Activities

The Federation was organized on November 13, 1996 for the purpose of providing a worldwide resource for individuals seeking to become professional coaches. It is a non-profit individual membership organization formed by professionals worldwide who practice and/or teach business and personal coaching. It exists to build, support and preserve the integrity of the coaching profession through programs and standards advanced by the individual membership.

The Foundation is a non-profit whose purpose is to provide pro bono coaching, conduct research related to the coaching profession and fund and provide scholarships to individual members of the Federation.

Basis of Accounting

The consolidated financial statements of ICF have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of ICF are classified and reported as follows:

- Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.
- Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes. There were no net assets with donor restrictions at March 31, 2020 and 2019.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, certificates of deposits, and all highly liquid investments with a maturity of three months or less when purchased.

Accounts Receivable

Accounts receivable consist of fees owed for memberships and other miscellaneous charges. Receivables are considered past due based on contractual terms and collateral is not required. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the account receivable. Management believes there is no risk of loss associated with the receivables at March 31, 2020 and 2019. Accordingly, no provision for bad debts has been provided for in the accompanying consolidated financial statements.

Investments and Investment Return

Investments are carried at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the statement of activities in the period in which such changes occur. Interest and dividend income is recorded when earned.

Website Development and Computer Software

Expenditures associated with website development, and computer software in excess of \$1,000, are capitalized and recorded at cost as of the date of acquisition. Amortization is recorded using the straight-line method over an estimated useful life of three years.

Income Taxes

The Federation is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code (the Code). The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Code. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the context of Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by ICF and recognize a tax liability if ICF has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by ICF, and has concluded that as of March 31, 2020 and 2019 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. ICF is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

ICF has filed its federal income tax returns for periods through March 31, 2019. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Membership Dues and Deferred Revenue

Revenue for membership dues is recognized as earned throughout the term of membership. Dues that are paid in advance are included as deferred revenue.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded as with or without restriction depending on the existence and nature of any donor restrictions.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the year ended March 31, 2020 and 2019 amounted to approximately \$401,000 and \$465,000, respectively and is included in public relations expenses on the consolidated statement of activities.

Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Direct costs are allocated by project. Management fees, chapter and membership, meetings, travel, information technology, programming fees and depreciation are allocated based on estimates of time and effort. Although the methods used were appropriate, alternative methods may have provided different results.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

Reclassifications

Certain items in Note 3 that were previously classified as Level 2 are reflected as Level 1 in the current year in order to properly reflect their method of fair value assessment. There was no effect on investments, assets, liabilities, net assets, or change in net assets as reported in the prior year.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

Subsequent Events

ICF evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 29, 2020 which is the date the consolidated financial statements were available to be issued.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a period one year from the date the consolidated financial statements are available to be issued.

2. CONCENTRATIONS

ICF maintains its cash balances at a financial institution in Lexington, Kentucky. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000. During the year, the balance may exceed the FDIC insured amount.

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of fair value hierarchy are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuations methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

ICF accounts for transfers between the levels within the fair value hierarchy at the end of the reporting period. There were no changes in the valuation methods used, and no transfers between classes, during the years ended March 31, 2020 and 2019.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Money market mutual funds: Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV) however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- Equities and bonds: Valued at the closing price reported on the active market on which the individual securities are traded.
- Bank certificates of deposit: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Exchange-traded funds: Valued at the daily closing prices as reported by the fund. Exchange-traded funds held by the organization are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

The following table presents ICF's assets measured at fair value at March 31, 2020 (amounts rounded):

	Level 1	Level 2	Level 3	Total
Fixed income securities:				
Corporate bonds	\$ 4,843,000	\$ -0-	\$ -0-	\$ 4,843,000
Exchange traded funds	1,873,000	-0-	-0-	1,873,000
Municipal bonds	316,000	-0-	-0-	316,000
US government bonds	103,000	-0-	-0-	103,000
Bank certificate of deposit	-0-	27,000	-0-	27,000
Equity mutual funds	1,797,000	-0-	-0-	1,797,000
Money market mutual fund	-0-	498,000	-0-	498,000
Total	<u>\$ 8,932,000</u>	<u>\$ 525,000</u>	<u>\$ -0-</u>	<u>\$ 9,457,000</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

The following table presents ICF's assets measured at fair value at March 31, 2019 (amounts rounded):

	Level 1	Level 2	Level 3	Total
Fixed income securities:				
Corporate bonds	\$ 5,008,000	\$ -0-	\$ -0-	\$ 5,008,000
Municipal bonds	514,000	-0-	-0-	514,000
US government bonds	197,000	-0-	-0-	197,000
Bank certificate of deposit	-0-	176,000	-0-	176,000
Equities	2,330,000	-0-	-0-	2,330,000
Money market mutual fund	-0-	352,000	-0-	352,000
Total	<u>\$ 8,049,000</u>	<u>\$ 528,000</u>	<u>\$ -0-</u>	<u>\$ 8,577,000</u>

4. AGREEMENT WITH ASSOCIATIONS INTERNATIONAL, LLC

Effective April 1, 2010, ICF entered into an agreement (the Agreement) with IMG College (IMG). The associations management division of IMG was acquired by Associations International, LLC (AI) during 2011. Under the terms of the Agreement, AI shall maintain a core staff of personnel as may be required to perform the management services and maintain the standard quality of performance of the Agreement (the Staff). AI agrees to provide all wages, compensation, and benefits, to the Staff, as well as all administrative costs associated with the Staff and the operation of the Staff's office.

The Agreement, originally set to expire March 31, 2015, was extended through March 31, 2025. After March 31, 2025, the term of the Agreement shall automatically renew for an additional one (1) year period. Either party shall have the right to terminate this agreement renewal by providing written notice to the other party on or before January 1, 2025 of its desire not to renew the contract for the additional one year period, in which event the Agreement will terminate March 31, 2025. If such termination occurs, all rights and obligations of ICF and AI shall end, except that AI shall remain obligated to account for and remit to ICF all moneys of ICF in its possession or under its control. The Agreement has been amended to reflect updated annual management fee amounts.

The annual management fee for the years ended March 31, 2020 and 2019 was approximately \$5,632,000 and \$5,067,000, respectively. The annual management fee for the fiscal year ending March 31, 2021 is approximately \$6,148,000 plus an amount equal to the change in the annual Consumer Price Index (CPI) as published in the United States Department of Labor Bureau of Labor Statistics for the prior contract year plus 1%.

In addition to the management fee, AI incurs out-of-pocket expenses for ICF for items such as, pre-approved travel on ICF matters, office supplies, postage and long-distance telephone charges, printing, audio/visual services, and other costs for resources provided to and used solely by ICF. ICF is to reimburse AI for these costs on a monthly basis.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

During the term of the Agreement, ICF grants to AI a personal, nontransferable, royalty-bearing, exclusive worldwide license to use ICF's name, the letters "ICF", the ICF's logo, and any other trademarks, solely in connection with providing management services as defined in the Agreement.

During the term of the Agreement, AI shall be entitled to retain thirty percent of any and all Gross Corporate Sponsor Revenues, as defined. AI shall pay ICF a Corporate Sponsorship Royalty equal to seventy percent of any and all gross corporate sponsor revenues.

The amounts due to and from AI were as follows at March 31 (amounts rounded):

	2020	2019
Accounts receivable, due from AI	\$ 172,000	\$ 159,000
Accounts payable, due to AI	\$ 209,000	\$ -0-

5. CHANGES IN ACCOUNTING PRINCIPLES

During 2019, ICF adopted Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This standard is intended to eliminate diversity in practice by requiring the statement of cash flows to present the change in the total cash and cash equivalents, which will include restricted cash and cash equivalents. The adoption of ASU 2016-18 did not have a material effect on the accompanying financial statements. The accompanying statement of cash flows presents the change in total cash and cash equivalents.

During 2019, ICF adopted ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard deals with the recording of contributions with respect to exchange and non-exchange transactions. ICF has determined it has no transactions involving right of return or right of release and it has no conditional pledges or contributions. The adoption of ASU 2018-08 did not have a material effect on the accompanying financial statements.

6. AVAILABILITY OF FINANCIAL ASSETS

ICF is supported by program service revenue to meet its ongoing obligations. As part of ICF's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. ICF invests cash in excess of daily requirements in short-term investments.

The following reflects ICF's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date (amounts rounded).

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,190,000	\$ 7,620,000
Accounts receivable	<u>286,000</u>	<u>262,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 6,476,000</u>	<u>\$ 7,882,000</u>

In addition to the above, investments may be liquidated as needed to meet operational needs.

7. UPCOMING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of this new guidance is that “an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services”. This new standard, which ICF is not required to adopt until its year ending March 30, 2021, deals with the timing of reporting revenues from contracts with customers, and disclosures related thereto.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This new standard, which ICF is not required to adopt until its year ended March 30, 2024, removes the thresholds that companies apply to measure credit losses on financial instruments measured at amortized cost, such as loans, receivables, and held-to-maturity debt securities. Under current guidance, companies generally recognize credit losses when it is probable that the loss has been incurred. The revised guidance will remove all recognition thresholds and will require companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that ICF expects to collect over the instrument’s contractual life.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This new standard, which ICF is not required to adopt until its year ending March 30, 2023, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity’s statement of financial position.

ICF is presently evaluating the effects that these ASUs will have on its future financial statements, including related disclosures.

See accompanying notes to consolidated financial statements.

INTERNATIONAL COACH FEDERATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

8. IMPACT OF COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts ICF's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19 and reductions in contributions and other funding. Management believes ICF is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the consolidated financial statements were available to be issued.