

STABLE VALUE INVESTMENT ASSOCIATION

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
Years Ended December 31, 2020 and 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Stable Value Investment Association
Washington, DC

We have audited the accompanying financial statements of Stable Value Investment Association, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Member, American Institute of Certified Public Accountants

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 Stable Value Investment Association as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Rubino & Company". The signature is written in a cursive, flowing style. The word "Rubino" is written in a large, elegant script, followed by a small ampersand "&" and the word "Company" in a similar but slightly smaller script.

Bethesda, Maryland
April 27, 2021

STABLE VALUE INVESTMENT ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 998,444	\$ 1,060,235
Receivables	739	183
Prepaid expenses	<u>14,411</u>	<u>15,118</u>
Total current assets	1,013,594	1,075,536
Property and equipment		
Office furniture and equipment	19,847	19,847
Less accumulated depreciation	<u>(17,052)</u>	<u>(14,918)</u>
Total property and equipment	2,795	4,929
Deposits	<u>15,400</u>	<u>23,400</u>
Total assets	<u>\$ 1,031,789</u>	<u>\$ 1,103,865</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,047	\$ 800
Accrued vacation and incentive payments	25,370	11,779
Pension contribution payable	27,457	26,425
Deferred revenue	<u>354,989</u>	<u>359,259</u>
Total current liabilities	412,863	398,263
Net assets without donor restrictions	<u>618,926</u>	<u>705,602</u>
Total liabilities and net assets	<u>\$ 1,031,789</u>	<u>\$ 1,103,865</u>

The accompanying notes are an integral part of these financial statements.

STABLE VALUE INVESTMENT ASSOCIATION
STATEMENTS OF ACTIVITIES
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and support		
Service firm dues	\$ 425,500	\$ 452,779
Plan sponsor dues	3,960	3,759
Value program dues	245,000	250,000
Conference registrations	91,380	407,807
Interest income	<u>7,048</u>	<u>8,069</u>
Total revenue and support	<u>772,888</u>	<u>1,122,414</u>
Expenses		
Program services:		
National forum	92,083	220,017
Spring seminar 2019	-	174,238
Spring seminar 2020	68,262	8,550
Spring seminar 2021	9,448	-
Stable times	44,351	62,537
Communications	149,799	111,745
Data and research	95,545	84,466
Government relations	<u>137,748</u>	<u>122,923</u>
Total program services	<u>597,236</u>	<u>784,476</u>
Supporting services:		
Management and general	157,743	168,740
Board of directors	<u>104,585</u>	<u>116,350</u>
Total supporting services	<u>262,328</u>	<u>285,090</u>
Total expenses	<u>859,564</u>	<u>1,069,566</u>
Change in net assets	(86,676)	52,848
Net assets, beginning of year	<u>705,602</u>	<u>652,754</u>
Net assets, end of year	<u>\$ 618,926</u>	<u>\$ 705,602</u>

The accompanying notes are an integral part of these financial statements.

STABLE VALUE INVESTMENT ASSOCIATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (86,676)	\$ 52,848
Adjustments to reconcile change in net assets to net cash		
Depreciation	2,134	2,073
Change in assets and liabilities:		
Prepaid expenses	707	(2,567)
Deposits	8,000	38,000
Receivables	(556)	(79)
Accounts payable and accrued expenses	4,247	(1,054)
Accrued vacation and incentive payments	13,591	(1,971)
Pension contribution payable	1,032	(2,213)
Deferred revenue	(4,270)	(82,554)
Net cash (used) provided by operating activities:	<u>(61,791)</u>	<u>2,483</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>-</u>	<u>(2,331)</u>
Net (decrease) increase in cash and cash equivalents	<u>(61,791)</u>	<u>152</u>
Cash and cash equivalents at beginning of year	<u>1,060,235</u>	<u>1,060,083</u>
Cash and cash equivalents at end of year	<u>\$ 998,444</u>	<u>\$ 1,060,235</u>

The accompanying notes are an integral part of these financial statements.

STABLE VALUE INVESTMENT ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services							Supporting Services			Total Expense	
	National Forum	Spring Seminar 2021	Spring Seminar 2020	Stable Times	Communications	Data & Research	Government Relations	Total	Management & General	BOD		
Expenses												
Professional services	\$ 31,000	\$ -	\$ -	\$ -	\$ 219	\$ -	\$ -	\$ 31,219	\$ 46,624	\$ -	\$ 77,843	
Operations staffing	51,852	8,068	49,208	38,781	132,950	82,440	107,770	471,069	67,697	77,656	616,422	
Benefits	2,523	609	2,058	1,905	8,904	5,787	7,209	28,995	30,127	4,789	63,911	
Rent costs	4,240	707	3,315	3,402	6,804	6,804	8,748	34,020	6,804	7,776	48,600	
Office supplies	-	-	-	-	-	-	-	-	2,191	3	2,194	
Stationary and printing	5	1	12	7	15	15	19	74	15	17	106	
Depreciation	-	-	-	-	-	-	-	-	2,133	-	2,133	
Web expenses	-	-	-	-	-	-	-	-	49	-	49	
Audiovisual	211	-	-	-	-	-	-	211	-	1,232	1,443	
Food & beverage	-	-	-	-	-	-	-	-	(57)	6,669	6,612	
Golf	-	-	-	-	-	-	-	-	-	-	-	
Lodging	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	625	-	125	-	-	-	-	750	322	-	1,072	
Transportation	-	-	7,160	-	-	-	-	7,160	231	129	7,520	
Communications	72	24	-	-	289	-	-	385	-	-	385	
Postage & delivery	-	-	-	-	-	-	-	-	60	-	60	
Teleconference calls	11	4	9	10	19	19	25	97	146	22	265	
Subscriptions	387	5	248	244	596	476	13,973	15,929	526	607	17,062	
Client appreciation	-	-	-	-	-	-	-	-	-	1,100	1,100	
Insurance for board/SVIA	-	-	-	-	-	-	-	-	-	4,581	4,581	
Interest expense	-	-	-	-	-	-	-	-	-	-	-	
Licenses & taxes	-	4	-	2	3	4	4	17	4	4	25	
Credit card fee	1,157	26	6,127	-	-	-	-	7,310	-	-	7,310	
Bank fees	-	-	-	-	-	-	-	-	871	-	871	
Total expenses	\$ 92,083	\$ 9,448	\$ 68,262	\$ 44,351	\$ 149,799	\$ 95,545	\$ 137,748	\$ 597,236	\$ 157,743	\$ 104,585	\$ 859,564	

The accompanying notes are an integral part of these financial statements.

STABLE VALUE INVESTMENT ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services							Supporting Services			Total Expense	
	National Forum	Spring Seminar 2019	Spring Seminar 2020	Stable Times	Communications	Data & Research	Government Relations	Total	Management & General	BOD		
Expenses												
Professional services	\$ 23,972	\$ -	\$ -	\$ -	\$ 219	\$ -	\$ -	\$ 24,191	\$ 13,000	\$ -	\$ 37,191	
Operations staffing	48,084	47,260	7,300	56,982	73,267	73,265	94,198	400,356	113,105	83,731	597,192	
Benefits	3,154	1,743	467	2,208	4,416	4,417	5,678	22,083	31,177	5,047	58,306	
Rent costs	4,599	2,488	663	3,191	6,382	6,382	8,206	31,912	6,382	7,294	45,589	
Office supplies	-	-	-	-	-	-	-	-	1,703	-	1,703	
Stationary and printing	237	282	7	12	25	25	32	621	25	28	675	
Depreciation	-	-	-	-	-	-	-	-	2,074	-	2,074	
Web expenses	-	-	-	-	25,950	-	-	25,950	45	-	25,995	
Audiovisual	12,717	14,095	-	-	-	-	-	26,812	-	-	26,812	
Food & beverage	113,020	79,265	-	-	-	-	-	192,285	-	14,700	206,985	
Golf	-	5,128	-	-	-	-	-	5,128	-	-	5,128	
Lodging	4,190	7,946	-	-	296	-	-	12,433	-	-	12,433	
Miscellaneous	191	308	-	-	-	-	-	499	-	-	499	
Transportation	534	7,498	-	-	767	-	-	8,799	-	132	8,931	
Communications	-	-	-	-	-	-	-	-	-	-	-	
Postage & delivery	-	447	-	-	-	-	-	447	24	-	471	
Teleconference calls	10	7	2	8	16	16	20	78	16	18	111	
Subscriptions	243	151	44	136	406	361	14,788	16,131	361	413	16,905	
Client appreciation	-	-	-	-	-	-	-	-	-	1,090	1,090	
Insurance for board/SVIA	-	-	-	-	-	-	-	-	-	3,896	3,896	
Interest expense	-	-	-	-	-	-	-	-	-	-	-	
Licenses & taxes	-	-	-	-	-	-	-	-	105	-	105	
Credit card fee	9,065	7,620	67	-	-	-	-	16,751	-	-	16,751	
Bank fees	-	-	-	-	-	-	-	-	723	-	723	
Total expenses	\$ 220,017	\$ 174,238	\$ 8,550	\$ 62,537	\$ 111,745	\$ 84,466	\$ 122,923	\$ 784,476	\$ 168,740	\$ 116,350	\$ 1,069,566	

The accompanying notes are an integral part of these financial statements.

STABLE VALUE INVESTMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

1. Organization

The Stable Value Investment Association (the Association) was established in 1990 as a non-profit organization dedicated to educating retirement plan sponsors and the public about the importance of saving for retirement and the contribution Stable Value can make towards a financially secure retirement. The Association is an independent organization incorporated in the Commonwealth of Virginia. The Association's principal sources of revenue are membership dues and related conference registration fees.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Association prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when obligations are incurred.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. The Association's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

STABLE VALUE INVESTMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Association is exempt from income taxes on its exempt activities under Section 501(c)(6) of the Internal Revenue Code. The Association is not aware of any activities that would jeopardize its tax-exempted status.

While generally exempt from tax, the Association is subject to tax on net income generated by unrelated business income activities as provided for under applicable income tax law. The Association is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

For financial statement purposes, the Association considers cash and cash equivalents to include cash in banks, money market funds and certificates of deposit. The Association maintains cash accounts with federally insured financial institutions.

Property and Equipment

Acquisitions of property and equipment over \$500 are capitalized and recorded at cost. Furniture and equipment are depreciated on a straight-line basis over the estimated useful life of the assets of three to seven years.

STABLE VALUE INVESTMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Membership dues are recognized as revenue over the membership year, which corresponds with the Association's fiscal year. Dues paid in advance of the membership year are recorded as deferred revenue until earned. Conference registrations are recognized as revenue on the event date. Costs related to conferences, excluding deposits and other advance payments to vendors, are recognized in the fiscal period incurred, which may differ from the fiscal period in which the event is held.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services, based on the program directly benefiting from those costs.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Association's ongoing services. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 27, 2020, the date the financial statements were available to be issued.

STABLE VALUE INVESTMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

3. Concentration of Credit Risk

At times during the year, the Association may have funds invested with financial institutions in excess of the Federal Deposit Insurance Corporation limits and the Securities Investor Protection Corporation limits. The Association has not experienced any losses in the past as a result of this excess.

4. Pension Plan

The Association maintains a contributory, defined contribution retirement plan under Section 401(k) of the Internal Revenue Code for all eligible employees. The Board of Directors determines employer contributions. Currently, the Association's safe harbor plan requires a minimum match of four percent of each employee's annual compensation. In addition, the Association made discretionary contributions to the Plan equal to three percent of employee compensation subject to IRS limitations. Employer pension contribution expense for the years ended December 31, 2020 and 2019, was \$27,458 and \$26,075, respectively. This expense for both years differs from the Pension Contribution Payable in the statement of financial position since the payable includes both the employer and employee contributions.

5. Commitments

The Association has entered into several agreements with hotels providing for room accommodations for its meetings and conventions through the year 2022. Many of these agreements contain clauses whereby the Association is liable for liquidated damages in the event of cancellation. At this time, the Association expects to hold each of the planned meetings and does not expect to incur charges that would require payment of penalties or damages. As of December 31, 2020, the maximum potential amount of liquidated damages is approximately \$449,290.

The Association has a lease for office space in Washington, DC. The original lease was for a 12-month term and provided for a monthly rental payment plus service fees used by the Stable Value Investment Association. The lease automatically renews for an additional annual period unless terminated in accordance with the lease agreement. The agreement contains an annual increase in the base rent of seven percent, if automatically renewed.

STABLE VALUE INVESTMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

6. Availability and Liquidity

The following reflects the Association's financial assets at December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions. Amounts not available include amounts set aside for long-term investing in the board designated reserves that could be drawn upon if the governing board approves that action.

	2020	2019
Cash and cash equivalents	\$ 998,444	\$ 1,060,235
Accounts receivable	739	183
Total financial assets	999,183	1,060,418
Financial assets available to meet cash needs for general expenditures within one year	\$ 999,183	\$ 1,060,418

The Association's goal is generally to maintain financial assets to meet 90 days of operating expenses plus a 10% contingency. As part the Association's liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

7. Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2020 and 2019.

	2020	2019
Deferred revenue, beginning of the year	\$ 359,259	\$ 441,813
Revenue recognized that was included in deferred revenue at the beginning of the year	(359,259)	(441,813)
Increase in deferred revenue due to cash received during the year	354,989	359,259
Deferred revenue, end of the year	\$ 354,989	\$ 359,259