ICSC

FINANCIAL REPORT

TREASURER'S REPORT

The International Council of Shopping Centers has long taken pride in disclosing fully its financial condition to its members. We are pleased to continue this tradition this year.

The accompanying statements present the financial position of the Council's Funds for the year ended December 31, 2013 with comparative totals for the year ended December 31, 2012. The Reserve Fund and the Restricted Funds are explained in the Notes to Financial Statements. Please take a moment to read them.

The Council utilizes the General Fund as its operating fund, which for the year ended December 31, 2013 reported an excess of revenue over expense of $3,512,860 on total revenue of $66,277,611. Total expense for the period was $62,764,751. Operations for the year reflect the growth in membership and meeting participation levels for several key events during the year. The cost containment efforts of the organization were also instrumental in the positive results.

Two committees of our Board of Trustees are in particular charged with responsibilities concerning our financial condition. The Investment and Employee Retirement Committee, which consists of the Secretary-Treasurer, the President, the immediate past Treasurer, Treasurer of the ICSC Foundation, two Past Chairmen, two Regular Members, who may or may not be Trustees, appointed by the Chairman with the approval of the Board, and the Trustees of the Pension and Savings and Investment Plans. In addition to myself, the members of the Committee for 2013-2014 are Duane F. Bishop, Jr., Michael Carroll, Karen Case, Mary Lou Fiala, Charles Lebovitz, Kathleen Nelson, Christopher Niehaus, Glenn Rufrano, Robert Ward and Michael Kercheval. The Committee sets investment guidelines for the General, Reserve, Pension and the ICSC Foundation funds and meets regularly with ICSC's current investment consultant, Dahab Associates.

The Audit Committee of the Board of Trustees is responsible for overseeing the procedures followed by management in the budgeting and financial reporting for the Council. There is a separate report from this Committee, included in this annual report, which provides additional details about their role.

AUDIT COMMITTEE'S REPORT

The Audit Committee consists of five Trustees appointed by the Chairman. The members of the Committee for 2013-2014 are Kathleen Nelson – Chairperson, Duane F. Bishop, Jr., Michael Carroll, Michael Graziano, and James Maurin. The contact information for any of the Committee members can be obtained by visiting the membership directory at ICSC.org. The Audit Committee is governed by a written charter adopted by the Board of Trustees. This charter is reviewed annually and was most recently amended in April 2013.

The Audit Committee is charged with reviewing the financial reporting process and overseeing the annual financial statement audit on behalf of the International Council of Shopping Centers' Board of Trustees. Management is responsible for establishing and maintaining adequate internal control over financial reporting, for preparing the consolidated financial statements and for the reporting process. The independent auditors, Citrin Cooperman, are engaged to audit and report on the conformity of the Council's consolidated financial statements with accounting principles generally accepted in the United States of America. The Audit Committee monitors and oversees these processes. The Audit Committee members do not serve as professional accountants or auditors, and their functions are not intended to duplicate or certify the activities of management and the independent public accounting firm.

In this context, the Audit Committee reviewed and discussed with management and the independent auditors the audited consolidated financial statements and the related footnotes for the year ended December 31, 2013, and the independent auditors report on those consolidated financial statements. Citrin Cooperman discussed the matters required to be communicated by the Statement of Auditing Standards (The Auditor's Communication with Those Charged with Governance). These items included, but were not limited to, accounting practices and estimates used, audit adjustments and consultations with other accountants. The Audit Committee held separate executive sessions with management and the independent auditors, in addition to meeting with the groups collectively.

Based on the review and oversight functions described above, the Audit Committee recommended to the Board of Trustees that the audited consolidated financial statements be included in ICSC's annual report for the year ended December 31, 2013.

AUDIT COMMITTEE

Kathleen Nelson (Chairperson)
Duane F. Bishop, Jr.
Michael Carroll
Michael Graziano
James Maurin

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
International Council of Shopping Centers, Inc.
New York, New York

We have audited the accompanying consolidated financial statements of International Council of Shopping Centers, Inc. ("ICSC"), The International Council of Shopping Centers Foundation (the "Foundation") and the ICSC Political Action Committee (the "PAC") (collectively referred to as the "Council"), which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of revenue, expenses and changes in net assets, and cash flows for the year 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 the 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.

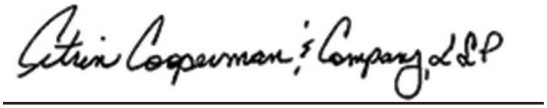
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Council as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

We have previously audited the consolidated financial statements of the Council as of December 31, 2012 and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 9, 2013. In our opinion, the summarized comparative information presented herein on pages 3 and 4 for the year ended December 31, 2012, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.



CERTIFIED PUBLIC ACCOUNTANTS
New York, New York
April 11, 2014

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED BALANCE SHEETS

December 31, 2013

(with summarized comparative financial information for the year ended December 31, 2012)

	2013					2012
	Unrestricted					
	General Fund	Reserve Fund	Subtotal	Temporarily Restricted Funds	**Total Funds**	Total Funds
ASSETS						
Cash and Cash Equivalents	$ 14, 645,238	$ 1,221,662	$ 15,866,900	$1,576,223	**$ 17,443,123**	$ 18,368,048
Accounts and Pledges Receivable (less allowance for doubtful accounts of $107,862 and $105,216, respectively)	774,087	-	774,087	906,500	**1,680,587**	551,512
Accrued Income Receivable	103,066	91,849	194,915	9,489	**204,404**	191,110
Due From (to) Other Funds	3,461,924	(3,184,393)	277,531	(277,531)	**-**	-
Cash Surrender Value of Life Insurance	2,938,885	-	2,938,885	-	**2,938,885**	2,208,829
Deferred Costs on Future Projects	1,383,725	50,000	1,433,725	76,258	**1,509,983**	1,295,696
Goodwill	307,000	-	307,000	-	**307,000**	-
Other Assets	3,235,717	-	3,235,717	-	**3,235,717**	1,323,506
Investments	29,316,862	56,430,160	85,747,022	6,269,940	**92,016,962**	70,142,923
Property and Equipment						
Office furniture and equipment (net of accumulated depreciation of $6,478,159 and $6,414,368, respectivley)	236,243	-	236,243	-	**236,243**	110,372
Leasehold improvements (net of accumulated amortization of $4,800,131 and $4,332,151, respectivley)	3,369,145	-	3,369,145	-	**3,369,145**	2,890,995
Total Assets	$ 59,771,892	$ 54,609,278	$ 114,381,170	$8,560,879	**$ 122,942,049**	$ 97,082,991
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued liabilities	$ 9,199,698	$ 131,510	$ 9,331,208	$ 33,992	**$ 9,365,200**	$ 8,630,864
Employee retirement obligations	17,749,815	-	17,749,815	-	**17,749,815**	23,185,500
Advance registrations and subscriptions	10,643,949	-	10,643,949	59,000	**10,702,949**	9,783,117
Deferred membership dues	8,655,260	-	8,655,260	-	**8,655,260**	7,746,087
Total Liabilities	46,248,722	131,510	46,380,232	92,992	**46,473,224**	49,345,568
Commitments (Note 5)						
Net Assets	13,523,170	54,477,768	68,000,938	8,467,887	**76,468,825**	47,737,423
Total Liabilities and net assets	$ 59,771,892	$ 54,609,278	$ 114,381,170	$8,560,879	**$ 122,942,049**	$97,082,991

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2013

(with summarized comparative financial information for the year ended December 31, 2012)

	2013					2012
	Unrestricted					
	General Fund	Reserve Fund	Subtotal	Temporarily Restricted Funds	**Total Funds**	Total Funds
Operating Revenue:						
Membership dues and state issue contributions	$ 13,331,310	$ -	$ 13,331,310	$	**$ 13,930,001**	$ 12,786,831
RECon convention	12,912,802	-	12,912,802	598,691	**12,912,802**	11,115,902
Leasing mall/deal-making and trade shows	13,583,302	-	13,583,302	-	**13,583,302**	12,590,775
Meetings and conferences	17,590,035	-	17,590,035	-	**17,590,035**	16,951,632
Educational programs	1,014,016	-	1,014,016	-	**1,014,016**	786,812
Publications	275,783	-	275,783	-	**275,783**	337,195
Professional recognition programs	583,978	-	583,978	-	**583,978**	886,375
Value Retail News	996,707	-	996,707	-	**996,707**	810,109
Advertising	2,509,837	-	2,509,837	-	**2,509,837**	2,531,374
ICSC Foundation contributions	-	-	-	-	**2,753,063**	716,755
Political Action Committee contributions	-	-	-	2,753,063 486,779	**486,779**	427,676
Investment income	436,698	1,172,682	1,609,380		**1,731,795**	1,539,273
Realized gains from security transactions	1,354,932	1,929,196	3,284,128	122,415 198,757	**3,482,885**	1,284,746
Other income	46,488	-	46,488		**46,488**	35,345
Net assets released from restrictions	1,641,723	-	1,641,723	(1,641,723)	-	-
Total operating revenue	66,277,611	3,101,878	69,379,489	2,517,982	**71,897,471**	62,800,800
Operating Expenses:						
RECon convention	1,641,215	-	1,641,215	-	**1,641,215**	1,483,367
Leasing mall/deal-making trade shows	3,240,006	-	3,240,006	-	**3,240,006**	4,484,318
Meetings and conferences	10,919,772	-	10,919,772	-	**10,919,772**	10,834,841
Educational programs	951,912	-	951,912	-	**951,912**	940,169
Publications	244,411	-	244,411	-	**244,411**	265,726
Professional recognition programs	672,769	-	672,769	-	**672,769**	867,661
Value Retail News	328,680	-	328,680	-	**328,680**	303,840
Advertising	1,570,037	-	1,570,037	-	**1,570,037**	1,549,257
Other member services	6,447,024	-	6,447,024	-	**6,447,024**	6,012,106
Restricted fund disbursements	1,641,722	-	1,641,722	-	**1,641,722**	1,750,691
Salaries, rent and administrative expenses	35,107,203	629,201	35,736,404	-	**35,736,404**	32,899,137
Total operating expenses	62,764,751	629,201	63,393,952	-	**63,393,952**	61,391,113
Results of operations	3,512,860	2,472,677	5,985,537	2,517,982	**8,503,519**	1,409,687

CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2013

(with summarized comparative financial information for the year ended December 31, 2012)

	2013					2012
	Unrestricted					
	General Fund	Reserve Fund	Subtotal	Temporarily Restricted Funds	**Total Funds**	Total Funds
Change in Unrealized Appreciation of Investments	3,561,957	6,633,004	10,194,961	685,772	**10,880,773**	4,434,742
Changes in net assets before changes in pension and other post retirement benefitplans	7,074,817	9,105,681	16,180,498	3,203,754	**19,384,252**	5,844,429
Changes in net assets arising from pension and other postretirement benefit plans not yet included in net periodic benefit costs	9,347,150	-	9,347,150	-	**9,347,150**	(2,066,480)
Changes in net assets	16,421,967	9,105,681	25,527,648	3,203,754	**28,731,402**	3,777,949
Net Assets (Deficit):						
Beginning	(2,898,797)	45,372,087	42,473,290	5,264,133	**47,737,423**	43,959,474
Ending	$ 13,523,170	$ 54,477,768	$68,000,938	$8,467,887	**$76,468,825**	$47,737,423

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities:		
Changes in net assets	**$ 28,731,402**	$3,777,949
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	**531,771**	476,664
Increase in cash surrender value of life insurance	**(730,056)**	(499,459)
Net realized and unrealized gain on investments	**(14,440,110)**	(5,719,488)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts, pledges and accrued income receivables	**(1,142,369)**	165,539
(Increase) decrease in deferred costs on future projects	**(214,287)**	110,615
Increase in other assets	**(224,140)**	(13,227)
Increase (decrease) in accounts payable and accrued liabilities	**734,337**	(307,448)
(Decrease) increase in employee retirement obligations	**(5,435,685)**	2,073,595
Increase in advance registrations, subscriptions and deferred membership dues	**1,589,884**	1,634,349
Net cash provided by operating activities	**9,400,747**	1,699,089
Cash Flows From Investing Activities:		
Cash paid for acquisition	**(1,679,157)**	-
Purchase of property and equipment	**(1,135,792)**	(51,200)
Proceeds from sale of investments	**11,130,258**	10,751,368
Purchase of investments	**(18,640,981)**	(12,488,022)
Net cash used in investing activities	**(10,325,672)**	(1,787,854)
Net decrease in cash and cash equivalents	**(924,925)**	(88,765)
Cash and Cash Equivalents:		
Beginning	**18,368,048**	18,456,813
Ending	**$17,443,123**	$18,368,048

See Notes to Consolidated Financial Statements.

Note 1. Council and Summary of Significant Accounting Policies

Council: The International Council of Shopping Centers, Inc. ("ICSC") was founded in 1957 and serves as the trade association of the shopping center industry.

Basis of Accounting: The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, and include the financial position and results of operations of ICSC, The International Council of Shopping Centers Foundation (the "Foundation") and the ICSC Political Action Committee (the "PAC") (collectively referred to as the "Council"). The Foundation and PAC are being consolidated with ICSC as the criteria for consolidation under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810-10, previously referred to as FASB Staff Position No. SOP 94-3-1 and AAG HCO-1, *Omnibus Changes to Consolidation and Equity Method Guidance for Not-for-Profit Organizations,* have been met. All significant interfund transactions and balances have been eliminated in the consolidation. Services and products offered to its members include various industry-related publications, meetings and conferences, industry-recognized professional status programs, monitoring of government affairs, and education and research programs.

A summary of the Council's significant accounting policies follows:

Net Assets: The General Fund represents the general operations of ICSC.

The Reserve Fund represents an accumulation of surpluses from the General Fund that the board has designated for long-term investment. Included in the Reserve Fund is a board-designated restriction of $152,946 for the Albert Sussman Award for community service in the shopping center industry. Income generated by the Reserve Fund's investments is added to the balance of the Reserve Fund. The Reserve Fund is not used to provide income for operations, but to be available as a reserve for appropriation by the board.

Restricted Funds are temporarily restricted and consist of contributions by members and others to finance the monitoring of certain judicial, legislative and regulatory issues at the federal, state and local levels, and to fund the PAC and the Foundation. The PAC is a federally registered political action committee established to solicit voluntary, personal contributions from member company executives and to provide financial assistance to candidates for federal elective office. The Foundation is a separately incorporated not-for-profit organization that was formed to provide scholarships and fellowships for university-based undergraduate and graduate-level education programs in the real estate industry. The Foundation is funded by contributions from the public and from the Reserve Fund. As of December 31, 2013, $7,811,207 of Restricted Funds was restricted for the Foundation, $3,274 was restricted for purposes of monitoring certain judicial, legislative and regulatory issues, and $653,406 was restricted for the purposes of the PAC.

Revenue Recognition: Contributions are recognized when a donor makes a promise to give to the Foundation or the PAC that is in substance, unconditional. Conditional promises to give are recognized as contributions when substantially all the conditions are met. Contributions and unconditional promises to give 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 temporarily restricted support, which increases those net asset classes. When the specified purpose or time restriction of donor-restricted contributions is met, the net assets are released from the restriction and transferred to unrestricted net assets.

Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in contributions revenue.

Membership dues are recorded as revenue during the applicable membership period. ICSC has implemented a multi-year membership option extending beyond its traditional one-year membership period up to three years if chosen by the member. Membership dues for the multi-year membership periods are recognized ratably over the applicable membership periods.

Membership dues received and utilized in the current year are reflected in the consolidated statements of revenue, expenses and changes in net assets in the unrestricted class of net assets.

Note 1. Council and Summary of Significant Accounting Policies (Continued)

Revenue from the RECon convention, lease mall/deal making and trade shows, educational programs, conferences, meetings and workshops is recognized upon completion of the activity. Publications and advertising revenue is recorded as revenue when the applicable publications are issued.

Cash and Cash Equivalents: The Council considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consist of money market funds held in financial institutions.

Financial Risk: The Council maintains its cash and temporary cash investments in bank deposit accounts with major financial institutions which, at times, may exceed federally insured limits. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and temporary cash investments.

The Council invests in a professionally managed portfolio that contains common shares and bonds of publicly traded companies, U.S. obligations, mutual funds, a guaranteed interest account, a common trust fund, a real estate fund and money market funds. Such investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Fair Value: FASB ASC 820, Fair Value Measurement, establishes a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of 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. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The fair value hierarchy is defined as follows:

Level 1: Inputs that reflect unadjusted quoted market prices in active markets for identical assets or liabilities that the Council has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimates.

The consolidated statements of revenue, expenses and changes in net assets present investment income, consisting of interest and dividend income. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses are reported in the consolidated statements of revenue, expenses and changes in net assets. In calculating realized gains and losses, the cost of securities sold is determined by the specific-identification method.

Other Fair Value Disclosures: The amounts included in the consolidated balance sheets for cash and cash equivalents, accounts and pledges receivable, accrued income receivable, cash surrender value of life insurance, deferred costs on future projects, other assets, accounts payable and accrued liabilities, employee retirement obligations, advance registrations and subscriptions and deferred membership dues approximate fair value due to the short-term nature of these instruments.

Accounts and Pledges Receivable and Allowance for Doubtful Accounts: Accounts and pledges are reported at the outstanding unpaid principal balances, reduced by an allowance for doubtful accounts. The Council estimates doubtful accounts based on historical bad debts, factors related to specific members' and donors' ability to pay and current economic trends. The Council writes off accounts and pledges receivable against the allowance when a balance is determined to be uncollectible.

Note 1. Council and Summary of Significant Accounting Policies (Continued)

Property and Equipment: Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives. Purchases of property and equipment in excess of $5,000 are capitalized. Useful lives are estimated to be three to five years for computer equipment and five years on all other property and equipment. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the lease period.

Long-Lived Assets: The Council reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, an impairment loss, if any, is recognized for the difference between the fair value and carrying value of the asset.

Goodwill: Costs incurred in connection with certain assets acquired and certain liabilities assumed in excess of the underlying fair value of net assets at the date of acquisition are recorded as goodwill and assessed annually for impairment. Goodwill will be adjusted to fair value and a corresponding impairment loss recognized if considered impaired.

Operating Leases: The Council occupies its space facilities under operating lease agreements. Rent waivers are accounted for as deferred rent credits that are amortized against lease payments on a straight-line basis over the life of the lease.

Deferred Costs on Future Projects: Costs relating to programs and studies that are not expected to generate income in future years are charged to expense as incurred. Otherwise, costs of activities, programs and studies are deferred and expensed during the calendar year in which such activities, programs and studies are conducted. Such future costs are included in deferred costs on future projects in the accompanying consolidated balance sheet.

Expenses: Expenses are reported as decreases in net assets. The costs of providing the Council's various programs and supporting services have been summarized on a functional basis in Note 7. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates: The preparation of consolidated 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Information: The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's consolidated financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Income Taxes: ICSC is a professional organization exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (the "Code"). However, net income resulting from certain activities not related to ICSC's tax-exempt status is subject to federal and state income taxes.

The Foundation qualifies for exempt status as a public charity under Section 501(c)(3) of the Code and the PAC qualifies for exempt status under Section 527 of the Code.

Management has evaluated the Council's tax positions and has concluded that the Council had taken no uncertain tax positions that require adjustments to the consolidated financial statements. Generally, the Council is no longer subject to income tax examinations by U.S. federal, state or local taxing authorities for years before 2010.

Subsequent Events: The Council evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the consolidated financial statements. Such evaluation is performed through the date the consolidated financial statements are available for issuance, which was April 11, 2014, for these consolidated financial statements. There were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements.

Note 2. Fair Value Measurements

The following tables present the Council's fair valure hierarchy for those investments measured at fair value on a recurring basis as of December 31, 2013 and 2012:

		Fair Value		
Description	**Total 2013**	Quoted Prices Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
General Fund:				
Bonds:				
Government and agency securities	$ 5,010,733	$ -	$ 5,010,733	$ -
Corporate bonds	6,559,812	-	6,559,812	-
Foreign bonds	1,339,047	-	1,339,047	-
Guaranteed interest account	279,181	-	-	279,181
Mutual funds:				
Small-Cap	33,628	33,628	-	-
Mid-Cap	222,774	222,774	-	-
Large-Cap	504,146	504,146	-	-
International	49,176	49,176	-	-
Equity securities:				
Consumer discretionary	750,699	750,699	-	-
Consumer staples	455,988	455,988	-	-
Energy	1,482,138	1,482,138	-	-
Financials	2,330,297	2,330,297	-	-
Healthcare	1,022,434	1,022,434	-	-
Industrials	1,209,406	1,209,406	-	-
Information technology	1,012,048	1,012,048	-	-
Materials	173,604	173,604	-	-
Telecommunication services	141,062	141,062	-	-
Utilities	292,992	292,992	-	-
Consumer non-durables	1,223,914	1,223,914	-	-
Consumer services	1,030,653	1,030,653	-	-
Business products & services	2,076,751	2,076,751	-	-
Capital goods	702,508	702,508	-	-
Basic industries	254,569	254,569	-	-
Transportation	353,836	353,836	-	-
Real estate	106,288	106,288	-	-
Foreign assets	564,288	564,288	-	-
Other assets	134,890	134,890	-	-
Total	29,316,862	16,128,089	12,909,592	279,181

Note 2. Fair Value Measurements (Continued)

Description	Total 2013	Fair Value: Quoted Prices Active Markets Identical Assets (Level 1)	Fair Value: Significant Other Observable Inputs (Level 2)	Fair Value: Significant Unobservable Inputs (Level 3)
Reserve Fund:				
Bonds:				
Government and agency securities	2,425,730	-	2,425,730	-
Corporate bonds	6,763,308	-	6,763,308	-
Foreign bonds	1,298,511	-	1,298,511	-
Mutual funds:				
Small-Cap	836,132	836,132	-	-
Real estate investment trust index fund	5,537,486	5,537,486	-	-
Equity securities:				
Consumer discretionary	2,213,249	2,213,249	-	-
Consumer staples	1,355,066	1,355,066	-	-
Energy	3,302,124	3,302,124	-	-
Financials	4,718,350	4,718,350	-	-
Healthcare	3,024,602	3,024,602	-	-
Industrials	3,251,635	3,251,635	-	-
Information technology	2,943,144	2,943,144	-	-
Materials	512,887	512,887	-	-
Telecommunication services	415,328	415,328	-	-
Utilities	869,728	869,728	-	-
Common trust fund	8,852,362	-	8,852,362	-
Real estate fund	8,110,518	-	8,110,518	-
Total	56,430,160	28,979,731	27,450,429	-
Restricted Fund:				
Bonds:				
Government and agency securities	269,525	-	269,525	-
Corporate bonds	751,479	-	751,479	-
Foreign bonds	144,278	-	144,278	-
Mutual funds:				
Small-Cap	92,903	92,903	-	-
Real estate investment trust index fund	615,276	615,276	-	-

Note 2. Fair Value Measurements (Continued)

Description	Total 2013	Fair Value: Quoted Prices Active Markets Identical Assets (Level 1)	Fair Value: Significant Other Observable Inputs (Level 2)	Fair Value: Significant Unobservable Inputs (Level 3)
Restricted Fund (continued):				
Equity securities:				
Consumer discretionary	245,916	245,916	-	-
Consumer staples	150,563	150,563	-	-
Energy	366,903	366,903	-	-
Financials	524,261	524,261	-	-
Healthcare	336,067	336,067	-	-
Industrials	361,293	361,293	-	-
Information technology	327,016	327,016	-	-
Materials	56,987	56,987	-	-
Telecommunication services	46,147	46,147	-	-
Utilities	96,561	96,561	-	-
Common trust fund	983,596	-	983,596	-
Real estate fund	901,169	-	901,169	-
Total	6,269,940	3,219,893	3,050,047	-
Total funds	$92,016,962	$48,327,713	$43,410,068	$279,181

Note 2. Fair Value Measurements (Continued)

Description	Total 2012	Fair Value: Quoted Prices Active Markets Identical Assets (Level 1)	Fair Value: Significant Other Observable Inputs (Level 2)	Fair Value: Significant Unobservable Inputs (Level 3)
General Fund:				
Bonds:				
Government and agency securities	$ 2,851,353	$ -	$ 2,851,353	$ -
Corporate bonds	4,724,221	-	4,724,221	-
Foreign bonds	1,179,107	-	1,179,107	-
Guaranteed interest account	221,250	-	-	221,250
Mutual funds:				
Small-Cap	58,400	58,400	-	-
Mid-Cap	44,050	44,050	-	-
Large-Cap	283,550	283,550	-	-
International	23,750	23,750	-	-
Equity securities:				
Consumer discretionary	492,251	492,251	-	-
Consumer staples	458,304	458,304	-	-
Energy	797,930	797,930	-	-
Financials	1,338,101	1,338,101	-	-
Healthcare	753,360	753,360	-	-
Industrials	781,287	781,287	-	-
Information technology	477,190	477,190	-	-
Materials	222,922	222,922	-	-
Telecommunication services	182,439	182,439	-	-
Utilities	440,745	440,745	-	-
Consumer non-durables	841,904	841,904	-	-
Consumer services	568,425	568,425	-	-
Business products & services	1,516,766	1,516,766	-	-
Capital goods	742,960	742,960	-	-
Basic industries	178,890	178,890	-	-
Transportation	234,284	234,284	-	-
Real estate	62,920	62,920	-	-
Foreign assets	204,975	204,975	-	-
Total	19,681,334	10,705,403	8,754,681	221,250

Note 2. Fair Value Measurements (Continued)

Description	Total 2012	Fair Value: Quoted Prices Active Markets Identical Assets (Level 1)	Fair Value: Significant Other Observable Inputs (Level 2)	Fair Value: Significant Unobservable Inputs (Level 3)
Reserve Fund:				
Bonds:				
Government and agency securities	5,427,998	-	5,427,998	-
Corporate bonds	6,485,779	-	6,485,779	-
Foreign bonds	1,310,845	-	1,310,845	-
Mutual funds:				
Small-Cap	3,737,872	3,737,872	-	-
Real estate investment trust index fund	5,742,814	5,742,814	-	-
Equity securities:				
Consumer discretionary	1,612,703	1,612,703	-	-
Consumer staples	1,460,150	1,460,150	-	-
Energy	2,560,064	2,560,064	-	-
Financials	2,881,423	2,881,423	-	-
Healthcare	2,431,327	2,431,327	-	-
Industrials	2,419,300	2,419,300	-	-
Information technology	1,517,704	1,517,704	-	-
Materials	715,412	715,412	-	-
Telecommunication services	591,351	591,351	-	-
Utilities	754,822	754,822	-	-
Common trust fund	7,373,615	-	7,373,615	-
Total	47,023,179	26,424,942	20,598,237	-

Note 2. Fair Value Measurements (Continued)

Description	Total 2012	Fair Value: Quoted Prices Active Markets Identical Assets (Level 1)	Fair Value: Significant Other Observable Inputs (Level 2)	Fair Value: Significant Unobservable Inputs (Level 3)
Restricted Fund:				
Bonds:				
Government and agency securities	396,904	-	396,904	-
Corporate bonds	474,251	-	474,251	-
Foreign bonds	95,851	-	95,851	-
Mutual funds:				
Small-Cap	273,319	273,319	-	-
Real estate investment trust index fund	419,924	419,924	-	-
Equity securities:				
Consumer discretionary	117,922	117,922	-	-
Consumer staples	106,768	106,768	-	-
Energy	187,196	187,196	-	-
Financials	210,694	210,694	-	-
Healthcare	177,782	177,782	-	-
Industrials	176,903	176,903	-	-
Information technology	110,977	110,977	-	-
Materials	52,312	52,312	-	-
Telecommunication services	43,240	43,240	-	-
Utilities	55,196	55,196	-	-
Common trust fund	539,171	-	539,171	-
Total	3,438,410	1,932,233	1,506,177	-
Total funds	$70,142,923	$39,062,578	$30,859,095	$221,250

Financial instruments classified as Level 3 in the fair value hierarchy represent the Council's investments in financial instruments in which the Council's management has used at least one significant unobservable input in the valuation model. The following table presents a reconciliation of activity for the Level 3 financial instruments:

	2013	2012
Balance, January 1	**$ 221,250**	$ 195,750
Purchases	**57,931**	25,500
Balance, December 31	**$ 279,181**	$ 221,250

Note 2. Fair Value Measurements (Continued)

The following table summarizes the fair value measurements of investment funds that calculate net assets per share (or its equivalent) as of December 31, 2013.

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Trust Fund (a)	**$ 9,835,958**	$ -	Monthly	45 days prior to the end of the month
Real Estate Fund (b)	**$ 9,011,687**	$ -	Quarterly	60 days prior to the end of the quarter

The following table summarizes the fair value measurements of investment funds that calculate net assets per share (or its equivalent) as of December 31, 2012.

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Trust Fund (c)	$ 7,912,786	$ -	Monthly	22nd calendar day before the previous month

(a) The common trust fund's objective is an unconstrained, non-benchmark oriented approach, which seeks long-term capital appreciation.

(b) The real estate fund's objective is to actively manage a core portfolio of primarily equity real estate investments located in the United States.

(c) The common trust fund's objective is a high long-term total return in excess of the MSCI EAFE Growth Index. The Fund should outperform the MSCI EAFE Growth Index over longer time periods.

The fair values of the bonds are based on quoted prices of similar securities and observable market data. The fair value of the guaranteed interest account is valued by discounting the related cash flows based on current yields of similar instruments. The fair value of mutual funds is based on the quoted market price of shares held at year end. The fair value of equity securities is based on the closing price reported in the active market in which the individual security is traded. The fair value of the common trust fund and the real estate fund is based on the net asset value determined by the investment manager.

Note 3. Employee Benefits

ICSC sponsors a defined benefit pension plan (the "Plan") for eligible employees. ICSC funds the Plan bsed upon actuarially determined requirements.

The following presents the funded status of the Plan at December 31:

	2013	2012
Actuarial present value of benefit obligations:		
Vested benefit obligations	**$18,975,306**	$20,359,174
Nonvested benefit obligations	**191,250**	200,106
Accumulated benefit obligations	**$19,166,556**	$20,559,280
Plan assets at fair value	**$20,864,418**	$18,029,706
Projected benefit obligation	**21,096,681**	23,337,052
Funded status	**$(232,263)**	$(5,307,346)

Amounts recognized in the consolidated balance sheets for accrued benefit cost and included in employee retirement obligations totaled $232,263 and $5,307,346 as of December 31, 2013 and 2012, respectively.

The change in net assets related to the pension benefit plan but not yet included in net periodic costs are as follows for the years ended December 31:

	2013	2012
Amortization of actuarial gain	**$855,237**	$861,581
Amortization of prior service credit	**(14,277)**	34,664
Net actuarial (gain) loss	**5,358,158**	(1,975,525)
	$6,199,118	$(1,079,280)

The expected amounts to be recognized in the following year that will be included in net periodic costs are the amortization of actuarial loss of $342,612 and the amortization of prior service credit of $49,157.

The following presents the net periodic pension cost for the years ended December 31:

	2013	2012
Service cost	**$782,652**	$805,920
Interest cost	**975,248**	924,022
Return on Plan assets	**(1,474,825)**	(1,340,752)
Net amortizations	**840,960**	896,245
Net periodic pension cost	**$1,124,035**	$1,285,435

Note 3. Employee Benefits (Continued)

Weighted-average assumptions used to determine benefit obligations at December 31:

	2013	2012
Discount rate	**5.00%**	4.00%
Rate of compensation increase	**3.50%**	3.50%

Weighted-average assumptions used to determine net periodic benefit cost for years ended December31:

	2013	2012
Discount rate	**4.00% / 4.75% (a)**	4.50%
Expected long-term return on Plan assets	**8.00%**	8.00%
Rate of compensation increase	**3.50%**	3.50%

(a) Due to a plan amendment effective July 1, 2013, the Plan was re-measured as of such date using a discount rate of 4.75%.

During 2013 and 2012, ICSC contributed $0 and $3,900,000, respectively, to the Plan, and $226,950 and $1,216,561 of benefits were paid, respectively.

ICSC does not expect to make a minimum contribution during the 2014 year.

ICSC's overall investment strategy is to achieve a mix of approximately 75% of investments for long-term growth and 25% for near-term benefit payments with a wide diversification of asset types, fund strategies and fund managers. The target allocations for Plan assets are 69% equity securities, 27% corporate bonds and U.S. government securities, and 4% cash. Equity securities primarily include investments in mutual funds and corporate common stocks primarily located in the United States. Debt securities include corporate bonds, mortgage-backed securities and U.S. government securities.

Note 3. Employee Benefits (Continued)

The fair values of ICSC's pension plan assets at December 31, 2013 and 2012 by asset category are as follows:

		Fair Value Measurements at December 31, 2013 Using:		
Description	**Total 2013**	Quoted Prices Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	**$ 601,660**	**$ 601,660**	**$ -**	$ -
Mutual funds:				
Real estate	**1,913,006**	**1,913,006**	**-**	-
Small blend	**2,339,057**	**2,339,057**	**-**	-
Emerging markets	**1,066,868**	**1,066,868**	**-**	-
Equity securities:				
Consumer durables	**134,184**	**134,184**	**-**	-
Consumer non-durables	**848,278**	**848,278**	**-**	-
Consumer services	**809,133**	**809,133**	**-**	-
Business products & services	**676,335**	**676,335**	**-**	-
Capital goods	**1,553,077**	**1,553,077**	**-**	-
Industrial electronics	**324,132**	**324,132**	**-**	-
Energy	**1,121,516**	**1,121,516**	**-**	-
Industrials	**184,926**	**184,926**	**-**	-
Financials	**1,594,896**	**1,594,896**	**-**	-
Utilities	**285,480**	**285,480**	**-**	-
Foreign assets	**150,528**	**150,528**	**-**	-
Debt securities:				
U.S. government securities (a)	**1,596,732**	**-**	**1,596,732**	-
Corporate bonds and notes	**3,286,089**	**-**	**3,286,089**	-
Common trust fund	**2,378,521**	**-**	**2,378,521**	-
Total	**$20,864,418**	**$13,603,076**	**$7,261,342**	**$ -**

(a) This category is comprised of U.S. Treasury Notes and Bonds and mortgage-backed securities.

Note 3. Employee Benefits (Continued)

The fair values of ICSC's pension plan assets at December 31, 2013 and 2012 by asset category are as follows:

		Fair Value Measurements at December 31, 2012 Using:		
Description	**Total**	Quoted Prices Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 606,007	$ $606,007	$ -	$ -
Mutual funds:				
Real estate	1,867,584	1,867,584	-	-
Small blend	1,697,495	1,697,495	-	-
Emerging markets	1,056,360	1,056,360	-	-
Equity securities:				
Consumer discretionary	578,723	578,723	-	-
Consumer staples	503,855	503,855	-	-
Energy	913,662	913,662	-	-
Financials	1,031,855	1,031,855	-	-
Healthcare	860,107	860,107	-	-
Industrials	855,066	855,066	-	-
Information technology	558,019	558,019	-	-
Materials	258,188	258,188	-	-
Telecommunication services	201,586	201,586	-	-
Utilities	277,678	277,678	-	-
			-	-
Debt securities:				
U.S. government securities (a)	2,286,064	-	2,286,064	
Corporate bonds and notes	2,566,032	-	2,566,032	-
Common trust fund	1,911,425	-	1,911,425	-
Total	$ 18,029,706	$ 11,266,185	$ 6,763,521	$ -

(a) This category is comprised of U.S. Treasury Notes and Bonds and mortgage-backed securities.

Note 3. Employee Benefits (Continued)

The following table summarizes the fair value measurements of investment funds that calculate net assets per share (ors its equivalent) as of December 31, 2013:

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Trust Fund (a)	**$ 2,378,521**	$ -	Monthly	45 days prior to the end of the month

The following table summarizes the fair value measurements of investment funds that calculate net assets per share (ors its equivalent) as of December 31, 2012:

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Trust Fund (b)	$ 1,911,425	$ -	Monthly	22nd calendar day before the previous month

(a) The common trust fund's objective is an unconstrained, non-benchmark oriented approach, which seeks long-term capital appreciation.

(b) The common trust fund's objective is a high long-term total return in excess of the MSCI EAFE Growth Index. The Fund should outperform the MSCI EAFE Growth Index over longer time periods.

The fair value of corporate equity securities is based on the closing price reported in the active market in which the individual security is traded. Debt securities consist of publicly traded corporate bonds and U.S government securities. The value of the debt securities is based on quoted prices of similar securities and observable market data. The fair value of mutual funds is based on the quoted market price of shares held at year end. The fair value of the common trust fund is based on the net asset value determined by the investment manager.

ICSC's investment policy includes various guidelines and procedures designed to ensure that assets are invested in a manner necessary to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocation ranges by major asset categories.

The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the Plan's actuarial assumptions and achieve asset returns that are competitive with like institutions employing similar investment strategies. The investment policy is periodically reviewed by ICSC and a designated third-party fiduciary for investment matters. The policy is established and administered in a manner that is compliant at all times with applicable government regulations.

Note 3. Employee Benefits (Continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year ending December 31,	
2014	$ 407,363
2015	477,512
2016	507,008
2017	570,640
2018	729,773
2019-2023	5,596,927

In addition, ICSC sponsors a 401(k) savings plan for all eligible employees. Amounts charged to expense for ICSC's contribution to the 401(k) savings plan for the years ended December 31, 2013 and 2012, approximated $431,000 and $424,000, respectively.

ICSC maintains a supplemental executive retirement plan, for which the related obligation has been accrued, amounting to $4,723,966 and $3,781,635 as of December 31, 2013 and 2012, respectively, and has been included in employee retirement obligations in the accompanying consolidated balance sheets. Additionally, for the years ended December 31, 2013 and 2012, the amount credited or charged to expense for this supplemental executive retirement plan approximated $942,000 and $1,113,000, respectively.

Note 4. Postretirement Medical Plan

ICSC maintains a medical care plan permitting retirees to continue participation that requires a retiree contribution for the remaining portion of the premium not paid by ICSC based on the number of years of service at retirement. ICSC funds the medical benefit costs as they are incurred.

The following represents the funded status of the postretirement medical plan at December 31:

	2013	2012
Accumulated postretirement benefit obligation:		
Retirees	**$ 2,732,195**	$ 3,012,604
Fully eligible active plan participants	**5,528,928**	5,990,874
Other active plan participants	**4,532,463**	5,092,369
Total accumulated postretirement benefit obligation	**12,793,586**	14,095,847
Market value of plan assets	**-**	-
Funded status	**$ (12,793,586)**	$ (14,095,847)

The accumulated projected benefit obligation was actuarially determined using an assumed discount rate of 5.0% and 4.0% for 2013 and 2012, respectively.

Amounts recognized in the consolidated balance sheets for the accrued benefit cost and included in employee retirement obligations amounted to $12,793,586 and $14,095,847 as of December 31, 2013 and 2012, respectively.

	2013	2012
Amortization of actuarial gain	**$ 445,846**	$ 331,563
Net actuarial gain (loss)	**2,702,186**	(1,331,757)
	$ 3,148,032	$ (1,000,194)

The expected amounts to be recognized in the following year that will be included in net periodic costs is the amortization of actuarial loss of $0.

The components of the net periodic postretirement benefit cost for the years ended December 31 were as follows:

	2013	2012
Service cost	**$ 993,303**	$ 784,587
Interest cost	**567,938**	524,720
Net amortizations	**445,846**	331,563
Net periodic postretirement benefit cost	**$ 2,007,087**	$ 1,640,870

Note 4. Postretirement Medical Plan (Continued)

The net periodic postretirement benefit cost was actuarially determined using an assumed discount rate of 4.0% and 4.5% for 2013 and 2012, respectively.

The assumed rate of future increases in healthcare in 2013 was 9.03% and is expected to gradually decline to 5.0% for pre-Medicare and Medicare-eligible after 2018. The assumed rate of future increases for dental care in 2013 was 6.93% and is expected to gradually decline to 5.0% after 2018.

ICSC contributed and paid as benefits the premiums amounting to $161,316 and $145,871 for the postretirement medical and dental plans for 2013 and 2012, respectively.

ICSC expects to make a minimum contribution to the plan of $257,705 in 2014.

Estimated future benefit payments are as follows:

Year ending December 31,	Expected Benefit Payments
2014	$ 257,705
2015	303,190
2016	343,775
2017	417,032
2018	477,867
2019-2023	3,539,108

The effects of the impact of a 1% change in healthcare trend rates are as follows:

	2013	2012
Effect on total of service and interest cost:		
Dollar increase	**$ 350,523**	$ 286,008
Percentage increase	**22.45 %**	21.84 %
Dollar decrease	**$ (275,003)**	$ (225,595)
Percentage decrease	**(17.61)%**	(17.23)%
Effect on postretirement benefit obligation:		
Dollar increase	**$ 2,231,487**	$ 2,685,259
Percentage increase	**17.44 %**	19.05 %
Dollar decrease	**$ (1,813,709)**	$ (2,156,665)
Percentage decrease	**(14.18)%**	(15.30)%

Note 5. Commitments

ICSC is obligated under noncancelable operating leases for office space expiring through April 2021. The leases are subject to escalations for ICSC's proportionate share of increases in real estate taxes, operating expenses and the consumer price index. Rent expense and related occupancy costs amounted to approximately $4,721,000 and $4,792,000 for the years ended December 31, 2013 and 2012, respectively.

The following is a schedule of approximate annual future minimum rental payments required under noncancelable operating leases:

Year ending December 31,	
2014	$ 3,768,446
2015	3,918,001
2016	3,905,973
2017	3,845,102
2018	3,823,540
Thereafter	3,423,664
	$ 22,684,726

In the ordinary course of business, ICSC enters into various venue commitments. These venue commitments expire through May 2017, with the most significant commitment related to the RECon Las Vegas convention of approximately $3,602,000.

Note 6. Acquistion

On December 20, 2013, ICSC entered into an agreement with Pinnacle Publishing Group, Inc. ("Pinnacle") to acquire certain assets and assume certain liabilities. ICSC agreed to a purchase price of $1,800,000 of which $1,500,000 was paid upon closing and the remaining $300,000 was held back for a period of nine months from the closing date of the transaction. The transaction was closed on December 31, 2013.

The following assets and liabilities were recognized in the acquisition:

Prepaid expenses	$ 118,278
Intangibles - subject to amortization	797,000
Intagibles - not subject to amortization	696,000
Deferred revenue	(239,121)
Goodwill	307,000
	$ 1,679,157

Note 7. Operating Expenses

Operating expenses after allocation of salaries, rent and administrative expenses by function are as follows for the years ended December 31:

		2013	2012
Program services:			
Member services	**$**	**12,498,321**	$11,713,640
RECon convention		**3,501,176**	3,206,947
Leasing mall/deal-making		**4,962,404**	6,042,682
Trade shows		**234,143**	393,902
Meetings and conferences		**16,374,739**	16,358,245
Educational programs		**2,405,417**	2,385,044
Publications		**584,282**	598,691
Professional recognition programs		**2,126,275**	2,312,536
Value Retail News		**1,103,070**	1,129,682
Restricted fund disbursements		**1,641,722**	1,750,691
Total program services		**45,431,549**	45,892,060
Support services:			
Advertising		**5,872,790**	5,404,553
General and administrative expenses		**12,089,613**	10,094,500
Total support services		**17,962,403**	15,499,053
Total operating expenses	**$**	**63,393,952**	$61,391,113

Note 8. Cash Surrender Value of Life Insurance

The Council is the sole beneficiary of a life insurance policy on a certain key employee. The cash surrender value of this policy is $2,938,885 and $2,208,829 at December 31, 2013 and 2012, respectively, and is reflected as an asset on the consolidated balance sheets.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