

**COLORADO ASSOCIATION OF
SCHOOL EXECUTIVES AND AFFILIATE**

COMBINED FINANCIAL STATEMENTS

**For the Year Ended
AUGUST 31, 2019**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Financial Statements	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements	6 - 14
Other Supplementary Information	
Combining Statement of Financial Position	15
Combining Statement of Activities	16
Combining Statement of Cash Flows	17

FINANCIAL SECTION

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Colorado Association of School Executives and Affiliate
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying combined financial statements of Colorado Association of School Executives (CASE), which comprise the combined statement of financial position as of August 31, 2019, and the related combined statements of activities, and cash flows for the year 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 combined 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 opinions on these combined 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 financial statements are free from material misstatement.

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

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

Opinion

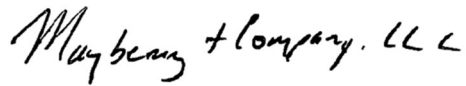
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of CASE as of August 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles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

Report on Summarized Comparative Information

We have previously audited the Colorado Association of School Executives and Affiliate August 31, 2018 financial statements, and we expressed an unmodified audit opinion on those audited combined statement of financial position in our report dated January 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statements of activities and cash flows are presented for purposes of additional analysis and are not a required part of the combined financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Englewood, Colorado
January 7, 2020

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE**
Statement of Financial Position
August 31, 2019
With Comparative Totals for August 31, 2018

	Total	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 608,140	\$ 863,361
Investments	532,178	522,682
Accounts receivable	353,722	582,260
Other current assets	40,856	47,875
Total Current Assets	<u>1,534,896</u>	<u>2,016,178</u>
Noncurrent Assets		
Property and equipment, net	1,015,875	70,706
Total Assets	<u>\$ 2,550,771</u>	<u>\$ 2,086,884</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable - trade	\$ 331,470	\$ 278,595
Accounts payable - other	122,645	122,100
Accrued vacation	31,895	25,639
Deferred revenue - dues, website and conferences	648,379	869,041
Deferred grant revenue	-	7,556
Notes payable, current portion	3,413	3,247
Lease payable, current portion	23,639	-
Total Current Liabilities	<u>1,161,441</u>	<u>1,306,178</u>
Long-term Liabilities		
Notes Payable	668,689	-
Lease payable	8,004	11,417
Total Long-term Liabilities	<u>676,693</u>	<u>11,417</u>
Total Liabilities	<u>1,838,134</u>	<u>1,317,595</u>
Net Assets		
With donor restrictions	26,600	26,600
Without donor restrictions	686,037	742,689
Total Net Assets	<u>712,637</u>	<u>769,289</u>
Total Liabilities and Net Assets	<u>\$ 2,550,771</u>	<u>\$ 2,086,884</u>

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

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE
Statement of Activities
For the Year Ended August 31, 2019
With Comparative Totals for the Year Ended August 31, 2018**

	<u>Total</u>	
	<u>2019</u>	<u>2018</u>
Net Assets Without Donor Restrictions		
Revenues, Gains and Other Support		
Membership dues	\$ 924,009	\$ 851,692
Professional learning	1,232,845	1,179,430
Website income	41,540	55,850
Investment income	9,581	9,090
Other income	38,465	24,771
Net assets released from restrictions	<u>7,556</u>	<u>2,200</u>
Total Revenues, Gains and Other Support	<u>2,253,996</u>	<u>2,123,033</u>
Expenses		
Program services		
Membership	387,620	399,628
Professional learning	1,300,528	1,108,940
Grant-related expense	6,003	2,200
Legislative	75,454	82,689
Governance	<u>23,845</u>	<u>15,809</u>
Total Program Services	<u>1,793,450</u>	<u>1,609,266</u>
Support services		
Payroll and payroll related	230,066	249,296
Professional fees	48,179	39,400
Office related	66,822	59,405
Bank and credit card fees	74,773	65,714
Staff travel	21,726	23,549
Other general and administrative	932	20,718
Building and equipment rent	58,928	46,417
Depreciation	11,602	3,537
Staff development	<u>4,170</u>	<u>8,712</u>
Total Support Services	<u>517,198</u>	<u>516,748</u>
Total Expenses	<u>2,310,648</u>	<u>2,126,014</u>
Change in Net Assets Without Donor Restrictions	<u>(56,652)</u>	<u>(2,981)</u>
Net Assets With Donor Restrictions		
Grant income	7,556	2,200
Endowment Revenue	-	26,600
Net assets released from restrictions	<u>(7,556)</u>	<u>(2,200)</u>
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>26,600</u>
Change in Net Assets	(56,652)	23,619
Net Assets (Deficit) - Beginning of Year	<u>769,289</u>	<u>745,670</u>
Net Assets (Deficit) - End of Year	<u>\$ 712,637</u>	<u>\$ 769,289</u>

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

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE**
Combining Statement of Cash Flows
For the Year Ended August 31, 2019
With Comparative Totals for the Year Ended August 31, 2018

	<u>Total</u>	
	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash received from membership activities, grants and other sources	\$ 2,244,735	\$ 2,046,014
Payments to suppliers	(1,778,475)	(1,412,296)
Payments to employees	(453,877)	(513,911)
Net Cash Provided (Used) by Operating Activities	<u>12,383</u>	<u>119,807</u>
Cash Flows From Investing Activities		
Investment earnings	86	25
(Additions to) Withdrawals from money market	-	200,000
Acquisitions of capital assets	(956,771)	(67,411)
Net Cash Provided by Investing Activities	<u>(956,685)</u>	<u>132,614</u>
Cash Flows from Financing Activities		
Endowment Proceeds	-	26,600
Notes payable proceeds	700,000	-
Notes payable principal payments	(7,672)	-
Lease Proceeds	-	17,249
Lease principal payments	(3,247)	(2,961)
Net Cash Used by Financing Activities	<u>689,081</u>	<u>40,888</u>
Net Increase (Decrease) in Cash	(255,221)	293,309
Cash and Cash Equivalents - Beginning of Year	<u>863,361</u>	<u>570,052</u>
Cash and Cash Equivalents - End of Year	<u>\$ 608,140</u>	<u>\$ 863,361</u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Change in Net Assets	\$ (56,652)	\$ (2,981)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	11,602	3,537
Earnings on Investments	(9,581)	(9,090)
Change in Assets and Liabilities:		
(Increase) decrease in receivables	228,538	(460,919)
(Increase) decrease in inter-entity receivables	(208,638)	42,629
(Increase) decrease in other current assets	7,019	(13,096)
Increase (decrease) in accounts payable - trade	52,731	213,362
Increase (decrease) in accounts payable - other	688	11,323
Increase (decrease) in accrued vacation	6,256	(15,319)
Increase (decrease) in deferred memberships	(220,662)	395,190
Increase (decrease) in deferred grants	(7,556)	(2,200)
Increase (decrease) in inter-entity payables	208,638	(42,629)
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,383</u>	<u>\$ 119,807</u>
SCHEDULE OF NONCASH INVESTING ACTIVITIES		
Unrealized Gains (Losses) on Investments	<u>\$ -</u>	<u>\$ (163)</u>

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

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019**

NOTE 1: NATURE OF ORGANIZATION

Nature of Operations

The Colorado Association of School Executives (CASE) is a combination of the Colorado Association of School Executives (the Association) and the Center for Excellence in Educational Leadership (the Center). CASE was incorporated in Colorado on October 27, 1969 to promote the continuous improvement of education and to elevate the professional and ethical standards of school executives.

The Association's purpose is to provide support to CASE members and to Center departments. The Center conducts conferences and conventions and provides departmental program services to members.

Departments

CASE consists of seven departments comprised of members in different areas of public education.

The Colorado Association of Educational Specialists (CAES) members include staff developers, special education professionals, communication professionals, federal program professionals and district-level administrators serving Colorado public schools.

The Colorado Association of Elementary School Principals (CAESP) is designed to serve Colorado public schools' elementary school principals, assistant principals, district-level leaders and students in principal licensure programs.

The Colorado Association of Leaders in Educational Technology (CALET) members include Chief Technology Officers and other technology leaders in the Colorado public school system.

The Colorado Association of School Personnel Administrators (CASPA) serves human resources professionals.

The Colorado Association of Superintendents and Senior Administrators (CASSA) serves superintendents, assistant superintendents and other senior administrators employed in the Colorado school system.

The Colorado Association of Secondary School Principals (CASSP) members include Colorado school system middle and high school principals, assistant principals, athletic directors, deans of students and middle and high school district administrators.

The Department of Business Officials (DBO) serves Colorado school system business officials.

COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The combined financial statements of the Association and the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Activity between the Association and the Center has been eliminated in the preparation of the CASE combined financial statements. Inter-entity activity included cash transfers and support expense sharing occurring during the year ended August 31, 2019. CASE's policy is to periodically satisfy all inter - entity activity.

Basis of Presentation

The combined financial statement presentation follows the recommendations of the Financial Accounting Standards Board's Accounting Standards Codification, *Financial Statements of Not-For-Profit Organizations*. Those standards require CASE report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Net Assets Without Donor Restrictions represent those net assets whose use is not restricted by donors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Included in unrestricted net assets are net assets for which outside agencies or government bodies, rather than a donor, have designated various purposes under grant awards or contractual agreements.
- Net Assets With Donor Restrictions include amounts that are stipulated by donors for specific operating purposes or future periods or that are stipulated by donors to be maintained in perpetuity. CASE has \$26,600 of Net Assets With Donor Restrictions as of August 31, 2019.

Cash and Cash Equivalents

For cash flow purposes, cash would include all instruments with maturities of three months or less when purchased, with the exception of funds held with investment brokerage firms.

Investments

Investments are measured at fair value in the combined statement of financial position. Money market funds are considered an investment, as the money market fund is held with a brokerage firm, and the Association considers it to be an investment. Realized and unrealized gains and losses are included in the combined statement of activities and classified as unrestricted, unless restricted by donor or applicable law.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable/Deferred Revenue - Memberships

Accounts receivable represent amounts due resulting from program services provided and are recorded at the amount management expects to collect from outstanding balances. Accounts receivable are considered past due based on contractual terms. CASE recognizes an allowance for uncollectible accounts on accounts receivable in an amount equal to probable losses. The allowance is based on an analysis of current receivables aging and estimated future write-offs.

Accounts receivable includes amounts billed, but not collected as of August 31, 2019, for memberships and dues for the 2018 fiscal year. CASE records a deferred revenue for amounts collected and/or billed prior to the end of the fiscal year that represent subsequent year resources.

Support and Revenue

The Association's revenue consists primarily of membership dues and fees for department conference attendance. The Center receives revenues from bi-annual conferences and department workshops.

CASE receives dues throughout the year and recognizes dues on the first day of the new dues year. These dues are recognized as deferred revenue in the year of receipt, if paying for the subsequent year's dues.

Grants are considered earned and associated revenue recognized when CASE has incurred expenditures in compliance with the specific requirements or restrictions designated in the grant document. Grants received but not expended by CASE are reported as restricted deferred revenue. Unrestricted grant income is recognized when qualifying expenditures are made against the grant.

Property and Equipment

CASE capitalizes all purchases greater than \$2,000 relating to property and equipment items with useful lives exceeding one year. Purchased assets are recorded at cost and donated assets are recorded at their fair market values at the date of the donation and depreciated over the estimated useful lives of the assets. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, which range from three to five years.

Income Tax Status

The Association reports results on its activity as a tax-exempt organization as permitted by Internal Revenue Code (IRC) 501(c)(6). The Center reports results on its activity as a tax-exempt organization as permitted by IRC 501(c)(3). Income earned by these organizations for activities not directly related to their tax-exempt purposes is subject to taxation as unrelated business income. No unrelated business events occurred during fiscal 2019 that would have created an income tax liability for either entity.

COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting for Uncertainty in Income Taxes

CASE believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and it has taken no material uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of combined financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions affecting the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the amounts of revenues, expenses, gains, losses and other changes in net assets during the fiscal years represented in the combined statement of activities. Actual results could differ from those estimates.

Subsequent Events

CASE has reviewed and considered subsequent events for disclosure in the combined financial statements through December 8, 2017, which is the date the financial statements were available for issuance.

NOTE 3: CASH AND CASH EQUIVALENTS

CASE considers all cash and highly liquid financial instruments that are to be used for current operations, and which have an original maturity of three months or less, to be cash and cash equivalents. All other cash and highly liquid financial instruments invested for the long-term purposes of CASE are classified as investments.

CASE maintains three cash and cash equivalent accounts with a commercial bank. The Association holds one account, and the Center holds two accounts. At times, the bank balances may be in excess of Federal Deposit Insurance Corporation insurance limits. Excess amounts over the insured amounts are only permitted on a temporary basis when cash flows are projected to be needed to meet immediate invoicing needs. Otherwise, the excess amounts are invested in short-term certificates of deposit.

A summary of deposits and investments at June 31, 2019 is provided below:

Cash & Equivalents	\$ 608,140
Investments	<u>532,178</u>
Total Cash & Investments	<u>\$ 1,140,318</u>

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
 NOTES TO COMBINED FINANCIAL STATEMENTS
 August 31, 2019**

NOTE 3: CASH AND CASH EQUIVALENTS (Continued)

Deposits

CASE’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. CASE, while not a governmental entity, is allowed to participate in PDPA by statute. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2019, all of CASE’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	915,794	890,168
Petty Cash - Uncategorized	<u>150</u>	<u>150</u>
Total Cash Balances	<u>\$ 1,165,944</u>	<u>\$ 1,140,318</u>

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended August 31, 2019 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

Investments consisted of the following at August 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Funds	<u>\$ 532,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,178</u>

COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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

- **Money Market Funds:** Valued at quoted market prices.

CASE recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2019, there were no changes in the methods or assumptions utilized to derive the fair value of CASE's assets and liabilities.

Investment earnings are comprised of the following:

Paid Interest \$ 8,078

NOTE 5: PROPERTY AND EQUIPMENT

The following is a summary of the property and equipment balances as of August 31, 2019:

	Balance August 31 2018	Additions	Deletions	Balance August 31 2019
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 23,256	\$ -	\$ 23,256	\$ -
Capital Assets Being Depreciated:				
Buildings & Improvements	-	981,971	-	981,971
Leasehold Improvements	33,076	-	33,076	-
Computer Equipment	2,019	-	2,019	-
Furniture & Fixtures	12,287	31,132	12,287	31,132
Office Equipment	<u>17,249</u>	<u>-</u>	<u>-</u>	<u>17,249</u>
Total Capital Assets Being Depreciated	<u>64,631</u>	<u>1,013,103</u>	<u>47,382</u>	<u>1,030,352</u>
Less: Accumulated Depreciation				
Buildings & Improvements	-	(8,153)	-	(8,153)
Leasehold Improvements	-	-	-	-
Computer Equipment	(2,019)	-	(2,019)	-
Furniture & Fixtures	(12,287)	-	(12,287)	-
Office Equipment	<u>(2,875)</u>	<u>(3,449)</u>	<u>-</u>	<u>(6,324)</u>
Total Accumulated Depreciation	<u>(17,181)</u>	<u>(11,602)</u>	<u>(14,306)</u>	<u>(14,477)</u>
Net Capital Assets	<u>\$ 70,706</u>	<u>\$ 1,001,501</u>	<u>\$ 33,076</u>	<u>\$ 1,015,875</u>

COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019

NOTE 5: PROPERTY AND EQUIPMENT (Continued)

Depreciation expense of \$11,602 has been recorded related to the copier lease and building improvements as further described in Note 6.

NOTE 6: OUTSTANDING DEBT OBLIGATIONS

Capital and Operating Leases

The Association has entered into a capital lease for the purchase of a copier. The Association has capitalized \$17,249 of assets with a remaining book value of \$11,417 related to the lease. The lease requires monthly payments of \$326 plus maintenance through October 2022. The lease bears interest at 5% and the Association expensed \$659 of interest on the lease for the 2019 fiscal year. The lease requires payments of \$3,906 in fiscal years 2019 through 2021, and \$651 in 2022, respectively with a net present value of the remaining payments of \$12,371.

The Association has also entered into an operating lease for the use of a vehicle. The lease requires monthly payments of \$425 through July, 2019. The last payment was made in fiscal year 2019.

Notes Payable

On April 29, 2019 the Association entered into an agreement for the purchase of the second floor of the building that the Association had been leasing. The building was purchased for \$879,003 with the seller financing \$700,000 for the partial sale of its building. The agreement requires monthly payments of \$4,242, with annual interest of 4% charged from April 2019 until May 2029. After that date, the interest rate will change to the prime rate of interest plus one percent as published on June 1, 2029, as set by the Wall Street Journal. The interest rate change cannot exceed two percent of the previous year's rate and shall be capped at a maximum of eight percent. The Association paid principal payments of \$3,823 and interest payments of \$4,660 for the fiscal year ended June 30, 2019. The remaining unpaid principal balance of the note is \$696,176 at year end.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019**

NOTE 7: RETIREMENT AND OTHER THAN PENSION EMPLOYEE BENEFITS

Defined Benefit Pension Plan

CASE, employer identification number 157, contributes to the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). When applicable, SDTF provides retirement and disability benefits, administers annual increases and pays death benefits for members or beneficiaries. All CASE employees qualify for SDTF membership. Title 24, Article 51, of the Colorado Revised Statutes, as amended, assigns the authority to establish benefit provisions and rates to the Colorado State Legislature. PERA prepares an annual financial report which includes financial statement information and supplementary information required by SDTF. The package is available to the public by either writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling 303.832.9950 or 1.800.759.7372.

Funding Policy

Contribution requirements of CASE and its employees are established under Title 24, Article 51, Part 4, of the Colorado Revised Statutes, as amended. CASE employees are required to make contributions to PERA at a rate of 8.00%. CASE's contribution rate for calendar years 2017, 2018 and 2019 was 19.25% and 20.15%, and 20.40% of covered salary, respectively. A portion of CASE's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund. CASE contributions to SDTF for the year ending August 31, 2019 were \$137,178, equal to its required contribution.

Funding Status

SDTF's financial statements are reported on a calendar year basis. As of December 31, 2018, SDTF had a funded status of 55%. The Association's percentage of the SDTF plan was .0208% as of December 31, 2018 based on Association contributions relative to all contributions received for the 2018 fiscal year.

Health Care Trust Fund

CASE, employer identification number 157, contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). When applicable, HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans. All CASE employees qualify for HCTF membership. Title 24, Article 51, of the Colorado Revised Statutes, as amended, assigns the authority to establish benefit provisions and rates to the Colorado State Legislature. PERA prepares an annual financial report which includes financial statement information and supplementary information required by HCTF. The package is available to the public by either writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by visiting their website at www.copera.org/investments/pera-financial-reports.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
August 31, 2019**

NOTE 7: RETIREMENT AND OTHER THAN PENSION EMPLOYEE BENEFITS (Continued)

Funding Policy

Contribution requirements of CASE and its employees are established under Title 24, Article 51, Part 12, of the Colorado Revised Statutes, as amended. CASE is required to contribute to the Health Care Trust Fund at a rate of 1.02% of covered salary. CASE's contribution to the HCTF for the year ending August 31, 2019 was \$7,314.

Funding Status

HCTF's financial statements are reported on a calendar year basis. As of December 31, 2018, SDTF had a funded status of 17.03%. The Association's percentage of the SDTF plan was .00848% as of December 31, 2018 based on Association contributions relative to all contributions received for the 2018 fiscal year.

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE**
Combining Statement of Financial Position
August 31, 2019
With Comparative Totals for August 31, 2018

	Association	Center	Eliminations	Total	
				2019	2018
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 473,643	\$ 134,497	\$ -	\$ 608,140	\$ 863,361
Investments	532,178	-	-	532,178	522,682
Accounts receivable	353,722	-	-	353,722	582,260
Inter-entity receivable	299,595	-	(299,595)	-	-
Other current assets	9,556	31,300	-	40,856	47,875
Total Current Assets	<u>1,668,694</u>	<u>165,797</u>	<u>(299,595)</u>	<u>1,534,896</u>	<u>2,016,178</u>
Noncurrent Assets					
Property and equipment, net	<u>1,015,875</u>	<u>-</u>	<u>-</u>	<u>1,015,875</u>	<u>70,706</u>
Total Assets	<u>\$ 2,684,569</u>	<u>\$ 165,797</u>	<u>\$ (299,595)</u>	<u>\$ 2,550,771</u>	<u>\$ 2,086,884</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Current Liabilities					
Accounts payable - trade	\$ 290,378	\$ 41,092	\$ -	\$ 331,470	\$ 278,595
Accounts payable - other	122,645	-	-	122,645	122,100
Accrued vacation	31,895	-	-	31,895	25,639
Deferred revenue - dues, website and conferences	558,379	90,000	-	648,379	869,041
Deferred grant revenue	-	-	-	-	7,556
Inter-entity payable	-	299,595	(299,595)	-	-
Notes payable, current portion	23,639	-	-	23,639	-
Lease payable, current portion	3,413	-	-	3,413	3,247
Total Current Liabilities	<u>1,030,349</u>	<u>430,687</u>	<u>(299,595)</u>	<u>1,161,441</u>	<u>1,306,178</u>
Long-term Liabilities					
Notes Payable	668,689	-	-	668,689	-
Lease payable	8,004	-	-	8,004	11,417
Total Long-term Liabilities	<u>676,693</u>	<u>-</u>	<u>-</u>	<u>676,693</u>	<u>11,417</u>
Total Liabilities	<u>1,707,042</u>	<u>430,687</u>	<u>(299,595)</u>	<u>1,838,134</u>	<u>1,317,595</u>
Net Assets					
With donor restrictions	26,600	-	-	26,600	26,600
Without donor restrictions	950,927	(264,890)	-	686,037	742,689
Total Net Assets	<u>977,527</u>	<u>(264,890)</u>	<u>-</u>	<u>712,637</u>	<u>769,289</u>
Total Liabilities and Net Assets	<u>\$ 2,684,569</u>	<u>\$ 165,797</u>	<u>\$ (299,595)</u>	<u>\$ 2,550,771</u>	<u>\$ 2,086,884</u>

See Independent Auditor's Report.

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE**
Combining Statement of Activities
For the Year Ended August 31, 2019
With Comparative Totals for the Year Ended August 31, 2018

	Association	Center	Total	
			2019	2018
Net Assets Without Donor Restrictions				
Revenues, Gains and Other Support				
Membership dues	\$ 924,009	\$ -	\$ 924,009	\$ 851,692
Professional learning	-	1,232,845	1,232,845	1,179,430
Website income	41,540	-	41,540	55,850
Investment income	9,495	86	9,581	9,090
Other income	38,465	-	38,465	24,771
Net assets released from restriction	-	7,556	7,556	2,200
Total Revenues, Gains and Other Support	<u>1,013,509</u>	<u>1,240,487</u>	<u>2,253,996</u>	<u>2,123,033</u>
Expenses				
Program services				
Membership	387,620	-	387,620	399,628
Professional learning	7,211	1,293,317	1,300,528	1,108,940
Grant-related expense	-	6,003	6,003	2,200
Legislative	75,454	-	75,454	82,689
Governance	23,845	-	23,845	15,809
Total Program Services	<u>494,130</u>	<u>1,299,320</u>	<u>1,793,450</u>	<u>1,609,266</u>
Support services				
Payroll and payroll related	230,066	-	230,066	249,296
Professional fees	47,581	598	48,179	39,400
Office related	66,822	-	66,822	59,405
Bank and credit card fees	42,386	32,387	74,773	65,714
Staff travel	20,771	955	21,726	23,549
Other general and administrative	931	1	932	20,718
Building and equipment rent	58,928	-	58,928	46,417
Depreciation	11,602	-	11,602	3,537
Staff development	4,170	-	4,170	8,712
Total Support Services	<u>483,257</u>	<u>33,941</u>	<u>517,198</u>	<u>516,748</u>
Total Expenses	<u>977,387</u>	<u>1,333,261</u>	<u>2,310,648</u>	<u>2,126,014</u>
Change in Net Assets Without Donor Restrictions	<u>36,122</u>	<u>(92,774)</u>	<u>(56,652)</u>	<u>(2,981)</u>
Net Assets With Donor Restrictions				
Grant income	-	7,556	7,556	2,200
Endowment Revenue	-	-	-	26,600
Net assets released from restriction	-	(7,556)	(7,556)	(2,200)
Change in Net Assets With Donor Restrictions	-	-	-	26,600
Change in Net Assets	36,122	(92,774)	(56,652)	23,619
Net Assets (Deficit) - Beginning of Year	<u>941,405</u>	<u>(172,116)</u>	<u>769,289</u>	<u>745,670</u>
Net Assets (Deficit) - End of Year	<u>\$ 977,527</u>	<u>\$ (264,890)</u>	<u>\$ 712,637</u>	<u>\$ 769,289</u>

See Independent Auditor's Report

**COLORADO ASSOCIATION OF SCHOOL
EXECUTIVES AND AFFILIATE**
Combining Statement of Cash Flows
For the Year Ended August 31, 2019
With Comparative Totals for the Year Ended August 31, 2018

	Association	Center	Total	
			2019	2018
Cash Flows From Operating Activities				
Cash received from membership activities, grants and other sources	\$ 1,001,656	\$ 1,243,079	2,244,735	2,046,014
Payments to suppliers	(528,703)	(1,249,772)	(1,778,475)	(1,412,296)
Payments to employees	(453,877)	-	(453,877)	(513,911)
Net Cash Provided (Used) by Operating Activities	<u>19,076</u>	<u>(6,693)</u>	<u>12,383</u>	<u>119,807</u>
Cash Flows From Investing Activities				
Investment earnings	-	86	86	25
(Additions to) withdrawals from investment account	-	-	-	200,000
Acquisition of capital assets	(956,771)	-	(956,771)	(67,411)
Net Cash Provided by Investing Activities	<u>(956,771)</u>	<u>86</u>	<u>(956,685)</u>	<u>132,614</u>
Cash Flows from Financing Activities				
Endowment Proceeds	-	-	-	26,600
Notes payable proceeds	700,000	-	700,000	-
Notes payable principal payments	(7,672)	-	(7,672)	-
Lease proceeds	-	-	-	17,249
Lease principal payments	(3,247)	-	(3,247)	(2,961)
Net Cash Used by Financing Activities	<u>689,081</u>	<u>-</u>	<u>689,081</u>	<u>40,888</u>
Net Increase (Decrease) in Cash	(248,614)	(6,607)	(255,221)	293,309
Cash and Cash Equivalents - Beginning of Year	<u>722,257</u>	<u>141,104</u>	<u>863,361</u>	<u>570,052</u>
Cash and Cash Equivalents - End of Year	<u>\$ 473,643</u>	<u>\$ 134,497</u>	<u>\$ 608,140</u>	<u>\$ 863,361</u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities				
Change in Net Assets	\$ 36,122	\$ (92,774)	\$ (56,652)	\$ (2,981)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	11,602	-	11,602	3,537
Earnings on Investments	(9,495)	(86)	(9,581)	(9,090)
Change in Assets and Liabilities:				
(Increase) decrease in receivables	228,538	-	228,538	(460,919)
(Increase) decrease in inter-entity receivables	(208,638)	-	(208,638)	42,629
(Increase) decrease in other current assets	6,760	259	7,019	(13,096)
Increase (decrease) in accounts payable - trade	178,139	(125,408)	52,731	213,362
Increase (decrease) in accounts payable - other	688	-	688	11,323
Increase (decrease) in accrued vacation	6,256	-	6,256	(15,319)
Increase (decrease) in deferred memberships	(230,896)	10,234	(220,662)	395,190
Increase (decrease) in deferred grants	-	(7,556)	(7,556)	(2,200)
Increase (decrease) in inter-entity payables	-	208,638	208,638	(42,629)
Net Cash Provided (Used) by Operating Activities	<u>\$ 19,076</u>	<u>\$ (6,693)</u>	<u>\$ 12,383</u>	<u>\$ 119,807</u>
SCHEDULE OF NONCASH INVESTING ACTIVITIES				
Unrealized Gains (Losses) on Investments	\$ -	\$ -	\$ -	\$ (163)

See Independent Auditor's Report.