

**Colorado Association of School  
Executives and Affiliate**

**Combined Financial Statements**

**Year Ended August 31, 2020**

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**JOHNSON AND ASSOCIATES, CPAs, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of Colorado Association of School Executives (CASE) and its affiliate, which comprise the combined statement of financial position as of August 31, 2020, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined 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 the 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 combined 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 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 combined 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 appropriateness 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 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 financial position of CASE and its affiliate as of August 31, 2020, 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.

**Prior Period Financial Statements**

The combined financial statements of CASE as of August 31, 2019 were audited by other auditors whose report dated January 7, 2020 expressed an unmodified opinion on those combined financial statements.

**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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*Johnson and Associates, CPAs, PC*

Sterling, Colorado  
December 20, 2021

Colorado Association of School Executives and Affiliate  
 Combined Statements of Financial Position  
 August 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, cash equivalents, and restricted cash	\$ 403,018	\$ 608,140
Investments	214,289	532,178
Accounts receivable	650,481	353,722
Other current assets	11,922	40,856
<b>TOTAL CURRENT ASSETS</b>	<u>1,279,710</u>	<u>1,534,896</u>
<b>OTHER ASSETS, condo reserve account</b>	<u>10,312</u>	<u>-</u>
<b>PROPERTY AND EQUIPMENT</b>		
Buildings and improvements	981,971	981,971
Furniture and fixtures	32,830	31,132
Office equipment	17,249	17,249
	<u>1,032,050</u>	<u>1,030,352</u>
Less accumulated depreciation	(50,332)	(14,477)
<b>NET PROPERTY AND EQUIPMENT</b>	<u>981,718</u>	<u>1,015,875</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,271,740</u>	<u>\$ 2,550,771</u>

See accompanying notes to combined financial statements.

Colorado Association of School Executives and Affiliate  
 Combined Statements of Financial Position  
 August 31, 2020 and 2019

	2020	2019
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 17,597	\$ 331,470
Accounts payable - other	139,636	122,645
Accrued vacation	-	31,895
Deferred revenue - dues, website and conferences	942,327	648,379
Notes payable, current portion	24,603	23,639
Lease payable, current portion	3,588	3,413
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,127,751</u>	<u>1,161,441</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable, less current portion	644,085	668,689
Lease payable, less current portion	4,416	8,004
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>648,501</u>	<u>676,693</u>
<b>TOTAL LIABILITIES</b>	<u>1,776,252</u>	<u>1,838,134</u>
<b>NET ASSETS</b>		
With donor restrictions	26,600	26,600
Without donor restrictions	468,888	686,037
<b>TOTAL NET ASSETS</b>	<u>495,488</u>	<u>712,637</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,271,740</u>	<u>\$ 2,550,771</u>

See accompanying notes to combined financial statements.

Colorado Association of School Executives and Affiliate  
 Combined Statements of Activities  
 For the Years Ended August 31, 2020 and 2019

	2020	2019
<b>Net Assets Without Donor Restrictions</b>		
<b>Revenues, Gains and Other Support -</b>		
Membership dues	\$ 905,822	\$ 924,009
Professional learning	804,480	1,232,845
Website income	45,780	41,540
Investment income	7,111	9,495
Interest income	50	86
Other income	42,688	38,465
Net assets released from restrictions:		
Satisfaction of restriction	-	7,556
<b>Total Revenues, Gains and Other Support</b>	<u>1,805,931</u>	<u>2,253,996</u>
<b>Expenses -</b>		
Program services		
Membership	270,801	387,620
Professional learning	876,233	1,070,462
Grant-related expenses	-	6,003
Legislative	70,608	75,454
Governance	6,787	23,845
<b>Total Program Services</b>	<u>1,224,429</u>	<u>1,563,384</u>
Support services		
Payroll and payroll related	536,845	460,132
Professional fees	40,266	48,179
Office related	55,726	66,822
Bank and credit card fees	46,017	63,145
Staff travel	12,111	21,726
Other general and administrative	3,519	5,102
Building and equipment rent	40,853	58,190
Interest expense	27,459	12,366
Depreciation	35,855	11,602
<b>Total Support Services</b>	<u>798,651</u>	<u>747,264</u>
<b>Total Expenses</b>	<u>2,023,080</u>	<u>2,310,648</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>(217,149)</u>	<u>(56,652)</u>
<b>Net Assets With Donor Restrictions</b>		
Grant income	-	7,556
Net assets released from restrictions:		
Satisfaction of restriction	-	(7,556)
<b>Change in Net Assets With Donor Restrictions</b>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	(217,149)	(56,652)
<b>Net Assets, Beginning of Year</b>	<u>712,637</u>	<u>769,289</u>
<b>Net Assets, End of Year</b>	<u>\$ 495,488</u>	<u>\$ 712,637</u>

See accompanying notes to combined financial statements.

Colorado Association of School Executives and Affiliate  
 Combined Statement of Cash Flows  
 For the Years Ended August 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (217,149)	\$ (56,652)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	35,855	11,602
Change in assets and liabilities:		
Accounts receivables	(296,759)	228,538
Other current assets	28,934	7,019
Condo reserve account	(10,312)	-
Accounts payable - trade	(313,873)	52,731
Accounts payable - other	16,991	688
Accrued vacation	(31,895)	6,256
Deferred memberships	293,948	(220,662)
Deferred grants	-	(7,556)
<b>Net cash provided by (used in) operating activities</b>	<u>(494,260)</u>	<u>21,964</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reinvested earnings on investment account	(7,111)	(9,495)
Redemptions from investment account	325,000	-
Acquisition of property and equipment	(1,698)	(956,771)
<b>Net cash provided by (used in) investing activities</b>	<u>316,191</u>	<u>(966,266)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes payable proceeds received	-	700,000
Notes payable principal payments	(23,640)	(7,672)
Lease payable principal payments	(3,413)	(3,247)
<b>Net cash provided by (used in) financing activities</b>	<u>(27,053)</u>	<u>689,081</u>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	(205,122)	(255,221)
<b>Cash, cash equivalents, and restricted cash:</b>		
Beginning	<u>608,140</u>	<u>863,361</u>
Ending	<u>\$ 403,018</u>	<u>\$ 608,140</u>
<b>SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION</b>		
Cash payments for interest	<u>\$ 27,459</u>	<u>\$ 12,366</u>

See accompanying notes to combined financial statements.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
SEE INDEPENDENT AUDITOR'S REPORT  
AUGUST 31, 2020**

**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 school system 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.

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting and Use of Estimates**

The combined financial statements of the Association and the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America 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 years ended August 31, 2020 and 2019. CASE's policy is to periodically satisfy all inter - entity activity.

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.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Classes of Net Assets**

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 to report information regarding its financial position and activities by class of net assets:

- *Net Assets Without Donor Restrictions* are those resources currently available for CASE's operating purposes under the direction of its board.
- *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 such net assets as of both August 31, 2020, and August 31, 2019. The earnings on these restricted net assets can be spent in accordance with the donors' stipulations.

**Fair Value of Financial Instruments**

The Association's financial instruments consist principally of cash and cash equivalents, investments in money market funds, and long-term debt. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to a transfer a liability in an orderly transaction between unaffiliated market participants. Assets measured at fair value are categorized based on whether the inputs are observable in the market and the degree to which the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant

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to fair value measurement. The hierarchy is prioritized into three levels (with level 3 being the lowest) defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2: Observable inputs other than prices included in level 1, such as quoted prices for similar assets in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; other inputs that are observable or that can be corroborated with observable inputs.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant in the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant observable inputs.

The fair value of the Association's cash and cash equivalents, investment in money market funds, and long-term debt was based on "Level 1" inputs. The Association does not have any "Level 2" or "Level 3" financial instruments.

**Cash, Cash Equivalents, and Restricted Cash**

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. CASE has not experienced any losses in such accounts. 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.

CASE collects dues for several Colorado school executive groups for the convenience of those groups. The amounts collected are deposited into CASE's general checking account and are disbursed on an as-needed basis to the school executive groups. Cash held for these groups totaled \$71,233 at August 31, 2020 and \$73,920 at August 31, 2019.

**Investments**

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. Investments are measured at fair value in the combined statement of financial position. 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.

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**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.

August 31, 2020 accounts receivable includes amounts billed, but not collected, for memberships and dues for the 2020 fiscal year. August 31, 2019 accounts receivable includes amounts billed, but not collected, for memberships and dues for the 2019 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 (the membership dues year runs from September 1 through the following August 31). The Center receives revenues from bi-annual conferences and department workshops.

The Association receives dues throughout the year and recognizes dues revenue on the first day of the new membership dues year. Dues received are recognized as deferred revenue in the year of receipt if they are for the subsequent year's dues.

Membership dues entitle the member to various member benefits that include discounted products and services. This includes legal assistance benefits for "Full-Active" CASE members as follows:

- First year of membership – up to \$375
- Second through fourth year of continuous membership – up to \$750 per year
- Five or more year of continuous membership – up to \$1,500 per year

The Association does not record a reserve for estimated legal assistance benefits payable. Legal fees paid in connection with this member benefit were \$20,752 and \$23,543 for the years ended August 31, 2020 and 2019, respectively.

**Property and Equipment**

CASE capitalizes all purchases greater than \$5,000 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 five to thirty-nine years.

**Income Tax Status and Accounting for Uncertainty in Income Taxes**

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

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tax-exempt purposes is subject to taxation as unrelated business income. No unrelated business events occurred during fiscal 2020 or 2019 that would have created an income tax liability for either entity.

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.

**Adoption of New Accounting Standard**

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606 of the FASB Accounting Standards Codification) (ASC). CASE adopted the provisions of this new accounting standard during the year ended August 31, 2020. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on the change in net assets or net assets in total for the year ending August 31, 2020.

**Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operation.

**NOTE 3: LIQUIDITY AND FUNDS AVAILABLE**

Financial assets consist of the following amounts as of August 31,

	2020	2019
Financial assets:		
Cash, cash equivalents, and restricted cash	\$ 403,018	\$ 608,140
Investments	214,289	532,178
Accounts receivable	650,481	353,722
Financial assets, at year-end	<u>1,267,778</u>	<u>1,494,040</u>
Less amounts not available to be used within one year:		
Funds held for other groups	(71,233)	(73,920)
Net assets with donor restrictions	<u>(26,600)</u>	<u>(26,600)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,169,945</u>	<u>\$ 1,393,520</u>

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Management is currently in the process of determining a liquidity reserve goal for the Association.

**NOTE 4: OUTSTANDING DEBT OBLIGATIONS**

**Capital Lease**

The Association has entered into a capital lease for the purchase of a copier. The copier has a capitalized cost of \$17,249 and a remaining book value of \$7,480 and \$11,417 as of August 31, 2020 and 2019, respectively. The lease requires monthly payments of \$326 (including interest at 5%) plus maintenance through October 2022. The Association expensed \$493 and \$659 of interest on the lease during the years ended August 31, 2020 and 2019, respectively. The lease requires payments of \$3,906 in fiscal years 2021 and 2022, respectively, and \$651 in fiscal year 2023. The net present value of the remaining payments as of August 31, 2020 is \$8,004.

**Note Payable**

On April 29, 2019, the Association entered into a promissory note 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. The agreement requires monthly principal and interest 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 the previous year's rate by more than two percent and shall be capped at a maximum of eight percent. The note is secured by a deed of trust on the building.

The Association is a member of the building's condominium association and makes a monthly payment of \$937 into a reserve fund to be used for future non-routine repairs and replacements. The Association contributed \$10,312 into this account during the year ended August 31 2020.

The Association sublets a portion of the second floor for a monthly payment. Effective August 1, 2020, the monthly payment is \$1,340. Rent received totaled \$14,928 and \$5,740 for the years ended August 31, 2020 and 2019, respectively.

Principal payments on this loan are as follows for the year ended August 31,

2021	\$	24,603
2022		25,605
2023		26,648
2024		27,734
2025		28,863
Years subsequent to 2025		535,235
	\$	<u>668,688</u>

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**NOTE 5: 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 the following rates: 8.00% through June of 2019; 8.75% from July of 2019 through June of 2020; 10.0% after June of 2020. CASE's contribution rate for calendar years 2018, 2019 and 2020 was 20.15%, 20.40%, and 20.90%, respectively, of covered salary. 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 years ending August 31, 2020 and 2019 were \$155,572 and \$137,178, respectively, which were equal to its required contributions.

**Funding Status**

SDTF's financial statements are reported on a calendar year basis. SDTF had a funded status of 62% as of December 31, 2019, and a funded status of 55% as of December 31, 2018. The Association's percentage of the SDTF plan (based on Association contributions relative to all contributions received by SDTF for the 2019 fiscal year and the 2018 fiscal year) was .0227% as of December 31, 2019, and .00208% as of December 31, 2018.

**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](http://www.copera.org/investments/pera-financial-reports).

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**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 years ending August 31, 2020, and 2019 was \$8,242 and \$7,314, respectively.

**Funding Status**

HCTF's financial statements are reported on a calendar year basis. HCTF had a funded status of 24.49% as of December 31, 2019, and a funded status of 17.03% as of December 31, 2018. The Association's percentage of the HCTF plan (based on Association contributions relative to all contributions received by HCTF for the 2019 fiscal year and the 2018 fiscal year) was .00899% as of December 31, 2019, and .00848% as of December 31, 2018.

**NOTE 6: EVALUATION OF SUBSEQUENT EVENTS**

CASE has reviewed and considered subsequent events for disclosure in the combined financial statements through December 20, 2021, which is the date the financial statements were available for issuance.

CASE's operations have been affected by the outbreak of a novel coronavirus (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The disruption to CASE's operations consisted primarily of lost revenue from cancelled, postponed, or scaled-back conferences and conventions affected by travel and occupancy restrictions. These restrictions have now been largely lifted.

Colorado Association of School Executives and Affiliate  
 Combining Statement of Financial Position  
 August 31, 2020  
 With Comparative Totals for August 31, 2019  
 See Independent Auditor's Report

	Association	Center	Eliminations	Total	
				2020	2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash, cash equivalents and restricted cash	\$ 252,375	\$ 150,643	\$ -	\$ 403,018	\$ 608,140
Investments	214,289	-	-	214,289	532,178
Accounts receivable	650,481	-	-	650,481	353,722
Inter-entity receivable	427,941	-	(427,941)	-	-
Other current assets	9,922	2,000	-	11,922	40,856
<b>TOTAL CURRENT ASSETS</b>	<b>1,555,008</b>	<b>152,643</b>	<b>(427,941.00)</b>	<b>1,279,710</b>	<b>1,534,896</b>
<b>OTHER ASSET, condo reserve account</b>	<b>10,312</b>	<b>-</b>	<b>-</b>	<b>10,312</b>	<b>-</b>
<b>PROPERTY AND EQUIPMENT</b>					
Buildings and improvements	981,971	-	-	981,971	981,971
Furniture and fixtures	32,830	-	-	32,830	31,132
Office equipment	17,249	-	-	17,249	17,249
	1,032,050	-	-	1,032,050	1,030,352
Less accumulated depreciation	(50,332)	-	-	(50,332)	(14,477)
	981,718	-	-	981,718	1,015,875
<b>TOTAL ASSETS</b>	<b>\$ 2,547,038</b>	<b>\$ 152,643</b>	<b>\$ (427,941)</b>	<b>\$ 2,271,740</b>	<b>\$ 2,550,771</b>

Colorado Association of School Executives and Affiliate  
Combining Statement of Financial Position  
August 31, 2020  
With Comparative Totals for August 31, 2019  
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	Association	Center	Eliminations	Total	
				2020	2019
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable - trade	\$ 13,477	\$ 4,120	\$ -	\$ 17,597	\$ 331,470
Accounts payable - other	139,636	-	-	139,636	122,645
Accrued vacation	-	-	-	-	31,895
Deferred revenue - dues, website and conferences	896,927	45,400	-	942,327	648,379
Inter-entity payable	-	427,941	(427,941)	-	-
Notes payable, current portion	24,603	-	-	24,603	23,639
Lease payable, current portion	3,588	-	-	3,588	3,413
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,078,231</b>	<b>477,461</b>	<b>(427,941)</b>	<b>1,127,751</b>	<b>1,161,441</b>
<b>LONG-TERM LIABILITIES</b>					
Notes payable, less current portion	644,085	-	-	644,085	668,689
Lease payable, less current portion	4,416	-	-	4,416	8,004
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>648,501</b>	<b>-</b>	<b>-</b>	<b>648,501</b>	<b>676,693</b>
<b>TOTAL LIABILITIES</b>	<b>1,726,732</b>	<b>477,461</b>	<b>(427,941)</b>	<b>1,776,252</b>	<b>1,838,134</b>
<b>NET ASSETS</b>					
With donor restrictions	26,600	-	-	26,600	26,600
Without donor restrictions	793,706	(324,818)	-	468,888	686,037
<b>TOTAL NET ASSETS</b>	<b>820,306</b>	<b>(324,818)</b>	<b>-</b>	<b>495,488</b>	<b>712,637</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,547,038</b>	<b>\$ 152,643</b>	<b>\$ (427,941)</b>	<b>\$ 2,271,740</b>	<b>\$ 2,550,771</b>

Colorado Association of School Executives and Affiliate  
Combining Statement of Activities  
For the Year Ended August 31, 2020  
With Comparative Totals for the Year Ended August 31, 2019  
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	Association	Center	Eliminations	Total	
				2020	2019
<b>Net Assets Without Donor Restrictions</b>					
<b>Revenues, Gains and Other Support -</b>					
Membership dues	\$ 905,822	\$ -	\$ -	\$ 905,822	\$ 924,009
Professional learning	-	804,480	-	804,480	1,232,845
Website income	45,780	-	-	45,780	41,540
Investment income	7,111	-	-	7,111	9,495
Interest income	-	50	-	50	86
Other income	42,688	-	-	42,688	38,465
Net assets released from restrictions:					
Satisfaction of restriction	-	-	-	-	7,556
<b>Total Revenues, Gains and Other Support</b>	<b>1,001,401</b>	<b>804,530</b>	<b>-</b>	<b>1,805,931</b>	<b>2,253,996</b>
<b>Expenses -</b>					
<b>Program services</b>					
Membership	270,801	-	-	270,801	387,620
Professional learning	24,843	851,390	-	876,233	1,070,462
Grant-related expenses	-	-	-	-	6,003
Legislative	70,608	-	-	70,608	75,454
Governance	6,787	-	-	6,787	23,845
<b>Total Program Services</b>	<b>373,039</b>	<b>851,390</b>	<b>-</b>	<b>1,224,429</b>	<b>1,563,384</b>
<b>Support services</b>					
Payroll and payroll related	536,845	-	-	536,845	460,132
Professional fees	40,266	-	-	40,266	48,179
Office related	55,726	-	-	55,726	66,822
Bank and credit card fees	32,949	13,068	-	46,017	63,145
Staff travel	12,111	-	-	12,111	21,726
Other general and administrative	3,519	-	-	3,519	5,102
Building and equipment rent	40,853	-	-	40,853	58,190
Interest expense	27,459	-	-	27,459	12,366
Depreciation	35,855	-	-	35,855	11,602
<b>Total Support Services</b>	<b>785,583</b>	<b>13,068</b>	<b>-</b>	<b>798,651</b>	<b>747,264</b>
<b>Total Expenses</b>	<b>1,158,622</b>	<b>864,458</b>	<b>-</b>	<b>2,023,080</b>	<b>2,310,648</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>(157,221)</b>	<b>(59,928)</b>	<b>-</b>	<b>(217,149)</b>	<b>(56,652)</b>
<b>Net Assets With Donor Restrictions</b>					
Grant income	-	-	-	-	7,556
Net assets released from restrictions:					
Satisfaction of restriction	-	-	-	-	(7,556)
<b>Change in Net Assets With Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(157,221)</b>	<b>(59,928)</b>	<b>-</b>	<b>(217,149)</b>	<b>(56,652)</b>
<b>Net Assets, Beginning of Year</b>	<b>977,527</b>	<b>(264,890)</b>	<b>-</b>	<b>712,637</b>	<b>769,289</b>
<b>Net Assets, End of Year</b>	<b>\$ 820,306</b>	<b>\$ (324,818)</b>	<b>\$ -</b>	<b>\$ 495,488</b>	<b>\$ 712,637</b>

Colorado Association of School Executives and Affiliate  
Combining Statement of Cash Flows  
For the Year Ended August 31, 2020  
With Comparative Totals for the Year Ended August 31, 2019  
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	Association	Center	Total	
			2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ (157,221)	\$ (59,928)	\$ (217,149)	\$ (56,652)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:				
Depreciation	35,855	-	35,855	11,602
Change in assets and liabilities:				
Accounts receivables	(296,759)	-	(296,759)	228,538
Inter-entity receivables	(128,346)	-	(128,346)	(208,638)
Other current assets	(366)	29,300	28,934	7,019
Condo reserve account	(10,312)	-	(10,312)	-
Accounts payable - trade	(276,901)	(36,972)	(313,873)	52,731
Accounts payable - other	16,991	-	16,991	688
Accrued vacation	(31,895)	-	(31,895)	6,256
Deferred memberships	338,548	(44,600)	293,948	(220,662)
Deferred grants	-	-	-	(7,556)
Inter-entity payables	-	128,346	128,346	208,638
<b>Net cash provided by (used in) operating activities</b>	<b>(510,406)</b>	<b>16,146</b>	<b>(494,260)</b>	<b>21,964</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Reinvested earnings on investment account	(7,111)	-	(7,111)	(9,495)
Redemptions from investment account	325,000	-	325,000	-
Acquisition of property and equipment	(1,698)	-	(1,698)	(956,771)
<b>Net cash provided by (used in) investing activities</b>	<b>316,191</b>	<b>-</b>	<b>316,191</b>	<b>(966,266)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Notes payable proceeds received	-	-	-	700,000
Notes payable principal payments	(23,640)	-	(23,640)	(7,672)
Lease payable principal payments	(3,413)	-	(3,413)	(3,247)
<b>Net cash provided by (used in) financing activities</b>	<b>(27,053)</b>	<b>-</b>	<b>(27,053)</b>	<b>689,081</b>
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>(221,268)</b>	<b>16,146</b>	<b>(205,122)</b>	<b>(255,221)</b>
<b>Cash, cash equivalents, and restricted cash:</b>				
Beginning	473,643	134,497	608,140	863,361
Ending	\$ 252,375	\$ 150,643	\$ 403,018	\$ 608,140
<b>SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION</b>				
Cash payments for interest	\$ 27,459	\$ -	\$ 27,459	\$ 12,366