

**COLORADO ASSOCIATION  
OF SCHOOL BOARDS**

**FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

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To the Board of Trustees  
Colorado Association  
Of School Boards  
Denver, Colorado

**Opinion**

We have audited the accompanying financial statements of Colorado Association of School Boards (CASB) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASB as of June 30, 2023, 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.

Statements of financial position, activities, and cash flows from our audit report for the prior year are presented for comparison purposes.

**Basis For Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CASB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CASB's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

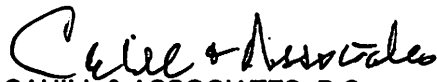
**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CASB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CAHILL & ASSOCIATES, P.C.

Boulder, Colorado

October 9, 2023

**COLORADO ASSOCIATION OF SCHOOL BOARDS**  
Statement of Financial Position  
June 30, 2023

	OPERATING PROGRAM	PERA PENSION	CAPITAL PROGRAM	NON-DUES PROGRAM	CASB TOTAL ACCOUNTS	ATTORNEYS' COUNCIL PROGRAM	2023 TOTAL	2022 TOTAL
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and Cash Equivalents	\$ 380,111	-	1,239,720	971	\$ 1,620,802	\$ 30,650	\$ 1,651,452	\$ 1,207,861
Accounts Receivable	1,613,208	-	-	-	1,613,208	-	1,613,208	1,239,428
Due From 2253 S Onelda Condo Association	1,687	-	-	-	1,687	-	1,687	5,428
Investments	1,650,776	-	-	-	1,650,776	-	1,650,776	1,141,817
Prepaid Expenses	40,481	-	1,300	-	41,781	-	41,781	59,288
Note Receivable	-	-	-	-	-	-	-	622,820
Total Current Assets	<u>3,686,263</u>	-	<u>1,241,020</u>	<u>971</u>	<u>4,928,254</u>	<u>30,650</u>	<u>4,958,904</u>	<u>4,276,642</u>
<b>PROPERTY AND EQUIPMENT</b>								
Land	-	-	318,313	-	318,313	-	318,313	318,313
Buildings	-	-	1,370,904	-	1,370,904	-	1,370,904	1,361,554
Furniture and Equipment	-	-	45,612	-	45,612	-	45,612	45,612
Less: Accumulated Depreciation	-	-	1,734,829	-	1,734,829	-	1,734,829	1,725,479
Total Property and Equipment	-	-	<u>(417,480)</u>	-	<u>(417,480)</u>	-	<u>(417,480)</u>	<u>(346,467)</u>
	-	-	<u>1,317,349</u>	-	<u>1,317,349</u>	-	<u>1,317,349</u>	<u>1,379,012</u>
<b>OTHER ASSETS</b>								
Cash Surrender Value of Life Insurance Policies	-	-	1,776,584	-	1,776,584	-	1,776,584	1,724,000
PERA Net Pension Deferred Outflows	-	827,084	-	-	827,084	-	827,084	705,622
Total Other Assets	-	<u>827,084</u>	<u>1,776,584</u>	-	<u>2,603,668</u>	-	<u>2,603,668</u>	<u>2,429,622</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,686,263</u>	<u>\$ 827,084</u>	<u>\$ 4,334,953</u>	<u>\$ 971</u>	<u>\$ 8,849,271</u>	<u>\$ 30,650</u>	<u>\$ 8,879,921</u>	<u>\$ 8,085,276</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts Payable	\$ 39,905	-	-	-	\$ 39,905	-	\$ 39,905	\$ 27,055
Deferred Revenue	2,058,389	-	-	-	2,058,389	15,235	2,073,624	1,869,981
Total Current Liabilities	<u>2,098,294</u>	-	-	-	<u>2,098,294</u>	<u>15,235</u>	<u>2,113,529</u>	<u>1,897,036</u>
Accrued Compensation	90,062	-	-	-	90,062	-	90,062	141,072
Washington Employer Admin Fund	-	-	-	-	-	-	-	(90)
PERA Net Pension Liability	-	2,809,304	-	-	2,809,304	-	2,809,304	2,625,984
PERA Net pension Deferred Inflows	-	472,055	-	-	472,055	-	472,055	534,166
Total Liabilities	<u>2,188,356</u>	<u>3,281,359</u>	-	-	<u>5,469,715</u>	<u>15,235</u>	<u>5,484,950</u>	<u>5,196,166</u>
Intercompany Due To (From)	-	-	-	-	-	-	-	-
<b>NET ASSETS</b>								
Without Donor Restrictions	1,497,907	(2,454,275)	4,334,953	971	3,379,556	15,415	3,394,971	2,887,108
Total Net Assets	<u>1,497,907</u>	<u>(2,454,275)</u>	<u>4,334,953</u>	<u>971</u>	<u>3,379,556</u>	<u>15,415</u>	<u>3,394,971</u>	<u>2,887,108</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,686,263</u>	<u>\$ 827,084</u>	<u>\$ 4,334,953</u>	<u>\$ 971</u>	<u>\$ 8,849,271</u>	<u>\$ 30,650</u>	<u>\$ 8,879,921</u>	<u>\$ 8,085,276</u>

See Accompanying Notes to Financial Statements

**COLORADO ASSOCIATION OF SCHOOL BOARDS**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	CASB Operating Program	CASB PERA Pension	CASB Capital Fund	CASB Non-Dues	CASB Accounts Total	Attorney Council	2023 TOTAL	2022 TOTAL
<b>SUPPORT AND REVENUE</b>								
Membership Dues	\$ 1,697,132	\$ -	-	-	\$ 1,697,132	\$ 19,010	\$ 1,716,142	\$ 1,602,981
Registrations	799,131	-	-	-	799,131	2,850	801,981	887,925
Product Sales	235,418	-	-	-	235,418	-	235,418	218,618
Advertising and Sponsorships	122,986	-	-	-	122,986	-	122,986	108,082
Investment Income	85,988	-	56,059	8	142,035	152	142,187	61,989
Superintendent Search Revenue	10,755	-	-	-	10,755	-	10,755	11,200
PPP Loan Forgiveness	-	-	-	-	-	-	-	279,820
Other Income	86,695	-	-	-	86,695	-	86,695	69,052
<b>Total Support and Revenue</b>	<b>3,038,085</b>	<b>-</b>	<b>56,059</b>	<b>8</b>	<b>3,094,152</b>	<b>22,012</b>	<b>3,116,164</b>	<b>3,239,667</b>
<b>EXPENSES</b>								
Advocacy Expense	25,827	-	-	-	25,827	-	25,827	22,000
Assessment Expense	130,077	-	-	-	130,077	-	130,077	72,550
Bad Debt Expense	-	-	-	-	-	-	-	15,856
Conferences and Meetings	655,523	-	-	-	655,523	2,634	658,157	654,599
Capital Fund Contribution	-	-	51,425	-	51,425	-	51,425	-
Credit Card Processing Fees	35,027	-	-	-	35,027	-	35,027	44,389
Depreciation	-	-	71,013	-	71,013	-	71,013	67,317
Dues, Subscriptions and Memberships	66,452	-	-	-	66,452	17,953	84,405	85,025
Insurance	14,001	-	-	-	14,001	-	14,001	13,774
Investigation Expense	-	-	-	-	-	-	-	16,495
Maintenance	3,500	-	19,824	-	23,324	-	23,324	19,588
Miscellaneous	3,391	-	-	-	3,391	-	3,391	4,417
Office Expenses	1,945	-	29	-	1,974	577	2,551	5,394
Payroll Taxes and Benefits	255,402	-	-	-	255,402	-	255,402	265,289
PERA Net Pension Adjustment	-	(253)	-	-	(253)	-	(253)	(57,611)
Policy Expense	41,037	-	-	-	41,037	-	41,037	52,014
Professional Development	1,681	-	-	-	1,681	-	1,681	30
Professional Fees	116,994	-	-	-	116,994	-	116,994	27,898
Publication Expenses	-	-	-	-	-	-	-	8,400
Salaries	981,239	-	-	-	981,239	-	981,239	1,142,361
Supplies	3,841	-	13,960	462	18,263	-	18,263	16,261
Telephone	8,424	-	-	-	8,424	-	8,424	9,694
Travel	77,743	-	-	-	77,743	-	77,743	78,585
Website	8,573	-	-	-	8,573	-	8,573	8,365
<b>Total Expenses</b>	<b>2,430,677</b>	<b>(253)</b>	<b>156,251</b>	<b>462</b>	<b>2,587,137</b>	<b>21,164</b>	<b>2,608,301</b>	<b>2,572,690</b>
<b>CHANGE IN NET ASSETS</b>								
Beginning Net Assets	607,408	253	(100,192)	(454)	507,015	848	507,863	666,977
Capitalized Funds	890,499	(2,454,528)	4,435,145	1,425	2,872,541	14,567	2,887,108	2,190,253
Ending Net Assets	<b>1,497,907</b>	<b>(2,454,275)</b>	<b>4,334,953</b>	<b>971</b>	<b>3,379,556</b>	<b>15,415</b>	<b>3,394,971</b>	<b>2,857,108</b>

See Accompanying Notes to Financial Statements

**COLORADO ASSOCIATION OF SCHOOL BOARDS**  
**Operating Program Statement of Activities**  
**For the Year Ended June 30, 2023**

	Conferences	Convention	Strategic Partnerships	Policy Services	Commun.	Board Development	Legal Council	Public Affairs Advocacy	Operating Fund	Total Program
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,697,132	\$ 1,697,132
Memberships Dues	70,745	728,386	-	-	-	-	-	-	-	799,131
Registrations	-	-	-	235,418	-	-	-	-	-	235,418
Product Sales	3,500	117,955	-	-	-	-	-	1,631	85,968	122,986
Advertising and Sponsorships	-	-	-	-	-	-	-	-	-	85,968
Investment Income	-	-	-	-	-	10,755	-	-	-	10,755
Superintendent Search Revenue	-	-	6,656	-	-	18,139	-	-	59,010	86,695
Other Income	2,890	-	-	-	-	-	-	-	-	-
<b>Total Support and Revenue</b>	<b>77,135</b>	<b>846,241</b>	<b>6,656</b>	<b>235,418</b>	<b>-</b>	<b>28,894</b>	<b>-</b>	<b>-</b>	<b>1,843,741</b>	<b>3,038,085</b>

**SUPPORT AND REVENUE**

Memberships Dues  
 Registrations  
 Product Sales  
 Advertising and Sponsorships  
 Investment Income  
 Superintendent Search Revenue  
 Other Income

**Total Support and Revenue**

**EXPENSES**

Advocacy Expense  
 Assessment Expense  
 Conferences and Meetings  
 Credit Card Processing Fees  
 Dues, Subscriptions and Memberships  
 Insurance  
 Maintenance  
 Miscellaneous  
 Office Expenses  
 Payroll Taxes and Benefits  
 Policy Expense  
 Professional Development  
 Professional Fees  
 Salaries  
 Supplies  
 Telephone  
 Travel  
 Website  
**Total Expenses**

	-	-	-	-	-	-	-	25,827	-	25,827
	-	-	-	-	-	-	-	-	130,077	130,077
61,048	565,858	-	-	-	361	-	11,163	17,093	655,523	655,523
-	-	-	-	-	-	-	-	35,027	-	35,027
-	-	-	125	-	843	5,622	2,099	57,763	66,452	66,452
-	-	-	-	-	-	2,928	-	11,073	14,001	14,001
-	-	-	-	-	-	-	-	3,500	3,500	3,500
-	-	-	-	-	3,391	-	-	-	-	3,391
-	-	-	-	-	-	-	-	1,945	1,945	1,945
30,942	28,642	-	52,958	22,717	-	43,713	24,474	51,956	255,402	255,402
-	-	-	41,037	-	-	-	-	-	41,037	41,037
571	-	-	461	-	-	-	-	649	1,681	1,681
48,449	-	-	11,700	-	-	29,483	-	27,362	116,994	116,994
120,861	123,561	-	216,687	98,560	-	167,853	103,668	150,049	981,239	981,239
295	-	-	185	-	-	75	59	3,227	3,841	3,841
1,330	94	-	533	1,254	-	837	5,723	67,972	77,743	77,743
-	-	-	-	8,573	-	-	-	-	8,424	8,424
263,496	718,155	-	323,686	131,104	4,234	250,872	173,013	566,117	2,430,677	2,430,677

**CHANGE IN NET ASSETS**

\$ (186,361)	\$ 128,086	\$ 6,656	\$ (98,268)	\$ (131,104)	\$ 24,660	\$ (250,872)	\$ (173,013)	\$ 1,277,624	\$ 607,408
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**COLORADO ASSOCIATION OF SCHOOL BOARDS**  
**Statement of Cash Flows**  
**Year Ended June 30, 2023**

	OPERATING PROGRAM	NON-DUES PROGRAM	CAPITAL PROGRAM	ATTORNEY'S PROGRAM	TOTAL 2023	TOTAL 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Support and Revenue Received	\$ 2,694,742	\$ 8	\$ 23,260	\$ 27,159	\$ 2,745,169	\$ 3,041,222
Salaries and Operating Expenses Paid	(2,245,341)	(462)	(86,538)	(21,164)	(2,353,505)	(2,402,144)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>449,401</u>	<u>(454)</u>	<u>(63,278)</u>	<u>5,995</u>	<u>391,664</u>	<u>639,078</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Property and Equipment	-	-	(9,350)	-	(9,350)	(76,450)
Reinvested Investment in Life Insurance (Net)	-	-	(52,584)	-	(52,584)	(33,134)
Investment Activity, net	(508,959)	-	-	-	(508,959)	(703,047)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(508,959)</u>	<u>-</u>	<u>(61,934)</u>	<u>-</u>	<u>(570,893)</u>	<u>(812,631)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Payments On Note Receivable	-	-	622,820	-	622,820	25,467
Proceeds From Paycheck Protection Program Loan	-	-	622,820	-	622,820	25,467
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>622,820</u>	<u>-</u>	<u>622,820</u>	<u>25,467</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(59,558)</u>	<u>(454)</u>	<u>497,608</u>	<u>5,995</u>	<u>443,591</u>	<u>(148,086)</u>
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>439,669</u>	<u>1,425</u>	<u>742,112</u>	<u>24,655</u>	<u>1,207,861</u>	<u>1,355,947</u>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<u>\$ 380,111</u>	<u>\$ 971</u>	<u>\$ 1,239,720</u>	<u>\$ 30,650</u>	<u>\$ 1,651,452</u>	<u>\$ 1,207,861</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Change in Net Assets	\$ 607,408	\$ (454)	\$ (100,192)	\$ 848	\$ 507,610	\$ 384,074
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:						
Depreciation	-	-	71,013	-	71,013	67,317
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	(279,820)
PERA Activity Change	253	-	-	-	253	225,293
Write off Receivable from Executive Solutions	-	-	-	-	-	(14,736)
Capitalized Funds	-	-	-	-	-	29,846
Intercompany Transfers	30,437	-	(32,799)	2,362	-	-
Changes in Operating Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(373,780)	-	-	-	(373,780)	87,476
(Increase) Decrease in Prepaid Expenses	18,807	-	(1,300)	-	17,507	(41,180)
Increase (Decrease) in Payables	12,850	-	-	-	12,850	35,216
Increase (Decrease) from Due To 2253 S. Oneida	3,741	-	-	-	3,741	(5,429)
(Increase) Decrease in Washington Employer Admin Fund	90	-	-	-	90	(90)
Increase (Decrease) in Accrued Compensation	(51,010)	-	-	-	(51,010)	40,640
Increase (Decrease) in Deferred Revenue	200,605	-	-	2,785	203,390	110,471
Total Adjustments	<u>(158,007)</u>	<u>-</u>	<u>36,914</u>	<u>5,147</u>	<u>(115,946)</u>	<u>255,004</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 449,401</u>	<u>\$ (454)</u>	<u>\$ (63,278)</u>	<u>\$ 5,995</u>	<u>\$ 391,664</u>	<u>\$ 639,078</u>

**COLORADO ASSOCIATION  
OF SCHOOL BOARDS**

**FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Colorado Association  
Of School Boards  
Denver, Colorado

### **Opinion**

We have audited the accompanying financial statements of Colorado Association of School Boards (CASB) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASB as of June 30, 2023, 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.

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### **Basis For Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CASB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CASB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CAHILL & ASSOCIATES, P.C.  
Boulder, Colorado  
October 9, 2023

**COLORADO ASSOCIATION  
OF SCHOOL BOARDS**  
Notes to Financial Statements  
June 30, 2023 and 2022

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**NOTE 1 - ORGANIZATION**

Organization and Activities

The Colorado Association of School Boards (CASB), (The Association), a non-profit Organization, was established in 1940 and originally incorporated in Colorado in 1955.

The Association provides a structure through which school board members can unite in their efforts to promote the interests and welfare of Colorado's 178 school districts.

CASB represents and advocates for over 1,000 school board members statewide to groups both within and outside the public education community. CASB provides services, information and training programs to support school board members as they govern their local districts. Membership benefits and solutions are designed to enhance school board effectiveness and help board members increase their knowledge, boost their efficiency and connect with their communities.

To meet its goals, CASB operates four primary programs:

Operating Program accounts for all operations of the Association, except for those operations for which a separate program has been established.

Non-Dues Program accounts for non-dues revenue that can be used without restriction. These operations are generally used for expenses for which school district dues cannot be used, such as campaign contributions.

Capital Program is used primarily for property and equipment purchases.

Attorney's Program accounts for the Colorado Council of School Board Attorneys (CCSBA). This association was created by CASB, however it does not have separate legal status. The members of CCSBA pay dues which are passed through directly to the National School Board Association (NASB).

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

Basis of Presentation Financial statements are prepared using the accrual basis of accounting in conformity with US generally accepted accounting principles applicable to non-for-profit organizations. These principles include reporting activities according to two classes of net assets - Net Assets Without Restrictions and Net Assets With Restrictions. Net Assets With Restrictions are composed of two types; Temporarily Restricted and Permanently Restricted. For the years presented, there are no Net Assets With Restrictions.

Cash and Cash Equivalents For cash flow reporting, cash and cash equivalents includes cash on hand, and in bank checking, savings and money market accounts.

Property and Equipment Property and equipment are stated at cost if purchased and at fair market value if donated. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 20 years. Expenditures for maintenance, repairs and minor replacements are expensed as incurred; major replacements and improvements are capitalized. Depreciation for the years ended June 30, 2023 and 2022 was \$71,013 and \$67,317 respectively.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Allocations of Expenses** The overall costs of programs and supporting functions are reported in the statement of activities. Certain costs are allocated to programs and supporting functions.

**Estimates** The preparation of financial statements may require management to make estimates and assumptions that affect amounts and disclosures presented. Accordingly, actual results could differ from such estimates and assumptions.

**Income Tax Exemption** The Association's revenue is exempt from income taxes and the Organization is exempt, from filing a federal form 990 information return under Section 115 of the Internal Revenue Code,

**Credit Risk** The Association's cash deposit policy is in accordance with The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. Amounts on deposit with the depositories that are above the FDIC limits of \$250,000 must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held 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, 2023 the Association had two cash deposits that totaled \$1,139,518 in excess of the FDIC insurance limits. The remaining cash deposits were collateralized under PDPA.

**NOTE 3 – INVESTMENTS**

Accounting principles generally accepted in the United States of America establish 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).

The three levels of the fair value hierarchy are described below:

(i) Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

(ii) Level 2—Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

(i) Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at June 30, 2023 and 2022.

**NOTE 3 – INVESTMENTS (Continued)**

(i) Mutual funds: Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

(ii) Governmental obligations: Valued at the closing price reported on the active market on which the individual securities are traded. If the obligation is not actively traded, the Association uses a pricing service. The service employs a proprietary market approach method that uses as inputs observed interest rates and yield curves, prices in active markets for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes.

(iii) Real estate investments funds: Valued at the net asset value (NAV) of shares held by the Association at year end.

(iv) Certificates of deposit: Valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

(v) Life insurance policy: Valued at the cash surrender value at year end.

The following table sets forth by level, within the fair value hierarchy, the Association's financial instruments at fair value as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Measured using Level 1 fair value measures:		
Certificates of Deposit	\$ 1,239,720	\$ 742,112
Local Government Pools	<u>1,650,776</u>	<u>1,141,817</u>
	<u>\$ 2,890,496</u>	<u>\$ 1,883,929</u>
Measured using Level 2 fair value Measures:		
Cash Value Life Insurance	<u>\$ 1,776,584</u>	<u>\$ 1,724,000</u>

**Colorado Government Liquid Asset Trust**

The Association invests in the Colorado Government Liquid Asset Trust (Colotrust) which is an investment vehicle established for local entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal to one dollar. Investments of the Trust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the Trust in connection with the direct investment and withdrawal functions of the Trust. Substantially all securities owned by the Trust are held by the Federal Reserve bank in the account maintained for the custodial bank. CASB had \$1,650,776 and \$1,141,817 invested in the Colotrust at June 30, 2023 and 2022 respectively.

**Life Insurance Policies**

The Association purchased fully funded life insurance policies on certain current and former employees. The Association is the primary beneficiary of the policies which were purchased through The Penn Mutual Life Insurance Company. Payment on the policies is subject to risks related to the financial health of Penn Mutual. The policies had a cash surrender value of \$1,776,584 and \$1,724,000 at June 30, 2023 and 2022 respectively. The Association recognized investment earnings of \$52,584 and \$33,134 on the value of the outstanding policies at June 30, 2023 and 2022 respectively.

**NOTE 3 – INVESTMENTS (Continued)**

Life Insurance Policies Activity:

	<u>Cash Value</u>	<u>Life Ins. Loans</u>	<u>Loan Accrd Interest</u>	<u>Cash Surr. Value</u>
Beginning, July 1, 2022	\$ 1,724,000	\$ -	\$ -	\$ 1,724,000
Investment Earnings	52,584	-	-	52,584
<b>Ending June 30, 2023</b>	<b><u>\$ 1,776,584</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,776,584</u></b>

Cash and Investment balances by type and presentation are as follows:

	<u>Cash</u>	<u>Investments</u>	<u>Long-Term Investments</u>	<u>Total</u>
Bank Accounts	\$ 411,690	\$ -	\$ -	\$ 411,690
Certificates of Deposit	1,239,720	-	-	1,239,720
Petty Cash	42	-	-	42
Local Government Pools	-	1,650,776	-	1,650,776
Cash Value Life Insurance	-	-	1,776,584	1,776,584
<b>Total</b>	<b><u>\$ 1,651,452</u></b>	<b><u>\$ 1,650,776</u></b>	<b><u>\$ 1,776,584</u></b>	<b><u>\$ 5,078,812</u></b>

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30,

	<u>2023</u>	<u>2022</u>
Dues Receivable	\$ 1,613,197	\$ 1,241,438
Employees	-	(1,924)
CASB Executive Solutions	-	-
Miscellaneous	11	11
Best Health Plan Set-Up Charges	-	(97)
	<u>1,613,208</u>	<u>1,239,428</u>
Less: Allowance for Doubtful Accounts	-	-
	<b><u>\$ 1,613,208</u></b>	<b><u>\$ 1,239,428</u></b>

Management has reviewed all receivables as of June 30, 2023 and considers the entire amount to be collectable, therefore, no allowance for doubtful accounts has been accrued (See Note 10).

**NOTE 5 – NOTE RECEIVABLE**

The Association issued a note receivable in the amount of \$700,000 related to the sale of a portion of its building in April of 2019. The note maturity date was May 31, 2029 and had an interest rate of 4% from April 2019 until May 2029. The Association collected \$25,467 of interest for the year ending June 30, 2022 leaving a balance on the note of \$622,820 at June 30, 2022. This loan was paid in full in August of 2022.

**NOTE 6 – DEFINED BENEFIT PENSION PLAN**

CASB participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The SDTF provides retirement and disability, annual increases and death benefits for members or their beneficiaries. All employees of the Association are members of the SDTF. Terms and management of this plan are not functions in which the Organization has direct control or involvement

Plan benefits are specified in Title 24, ARTICLE 51 OF THE Colorado Revised Statutes (CRS), administrative rules set forth at 8 C.C.R 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

**General Information about the Pension Plan**

The SDTF serves as a defined benefit retirement plan whereby eligible retirees receive a monthly benefit for their lifetime when certain age and service-credit requirements are met. Eligibility may vary by the membership date and consider service-credits at key dates. The benefits are based upon a defined multiplier calculated based on age, years of credited service, and highest average salary. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is properly adjusted

In addition to retirement benefits, the SDTF provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

**Employer Contributions**

Employers are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Employer contribution requirements, as a percentage of salary, are summarized on the following tables:

2022	Rate
Employer Contribution Rate <sup>1</sup>	13.60%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	12.58%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%
Defined contribution supplement as specified in § 24-51-411 <sup>1</sup>	.10%
<b>Total Employer Contribution Rate to the LGDTF<sup>1</sup></b>	<b>22.68%</b>

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

**NOTE 6 - DEFINED BENEFIT PENSION PLAN- (Continued)**

Employer contributions received by the trust fund from CASB were \$255,402, \$225,292 and \$230,948 for the years ended June 30, 2023, 2022 and 2021 respectively.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, CASB reported a liability of \$2,809,304 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The CASB proportion of the net pension liability was based on CASB's contributions to the SDTF for the calendar year 2022 relative to the total contributions of participating employers to the SDTF.

For the year ended June 30, 2023, CASB recognized pension expense adjustment of \$253. At June 30, 2023, CASB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	323,442	34,110
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	394,825	437,945
Contributions subsequent to the measurement date	108,817	-
<b>Total</b>	<b>827,084</b>	<b>472,055</b>

Deferred outflows of resources resulting from contributions subsequent to the measurement date is recognized as a reduction of the net pension liability for the year ended December 31, 2022. The net of the differences between expected and actual experiences and changes in assumptions will be recognized in pension expense for each of the subsequent five years.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN- (Continued)**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.30 – 10.90 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2021 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2016 through December 31, 2019, adopted by PERA's Board on November 20, 2020, and an economic experience study, adopted by PERA's Board on October 28, 2020.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, reaffirmed by the PERA Board on November 15, 2019, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN- (Continued)**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	3,258,793	2,809,304	2,128,261

Other Post-Employment Benefits

Health Care Trust Fund

CASB contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF.

CASB is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Association are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2022, June 30, 2022 and June 30, 2021, contributions to the HCTF were \$16,844, \$11,233 and \$11,849, respectively, equal to their required contributions for each year.

**NOTE 7 - SBA PPP LOAN PAYABLE**

In April of 2020 and May of 2021, the Organization applied for and received loan proceeds in the amount of \$338,419 and \$279,820, respectively, under the Paycheck Protection Program (PPP). The PPP established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided for loans to qualifying businesses and organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying applicant. The loans and accrued interest could be forgiven if the Organization used the loan proceeds for eligible purposes and maintained its payroll levels. Eligible purposes included payroll, benefits, rent and utilities. The amount of loan forgiveness could be reduced if the Organization terminated employees or reduces salaries during a specified time period.

The Organization used the proceeds from both loans for purposes consistent with the PPP and the loans were forgiven in the fiscal year ending June 30, 2022.

**NOTE 8 – DEFERRED REVENUE**

Deferred revenue consists primarily of advance payments made by members for dues and other services provided by the Association to be recognized in a future period. Deferred revenue consisted of the following at June 30, 2023:

District Dues	\$1,800,006
ODPM	64,468
Convention Sponsorships	10,000
Exhibit Hall	41,095
Fall Delegate Assembly	26,445
Fall Regionals	2,625
Partner Program	3,500
Policy Support Payments	110,250
Colorado Attorney Dues	2,160
National Attorney Dues	13,075
	<u>\$2,073,624</u>

**NOTE 9 - BOARD DESIGNATED NET ASSETS**

In order to be proactive in maintaining operations during seasonal cash flow fluctuations and unforeseen declines in revenues, Board policy mandates the designation of three months of the annual budget as an Operating Reserve. This designation was \$449,186 at June 30, 2023 and is included in Cash & Cash Equivalents of the Capital Fund.

**NOTE 10 – RELATED PARTIES**

**2253 S Oneida Condominium Association.** In the 2019 fiscal year CASB sold a portion of the building it had acquired which created the need for a separate entity to administer collection and payment of costs common to the overall property. CASB is manager of the condo association and as such collects fees from CASB and the other occupant of the building for common area expenses that will be paid by the association. CASB had a balance due from the Association of \$1,687 at June 30, 2023.

**Colorado Association of School Boards Foundation** is a 501(c)(3) non-profit entity that the Association operates with the CASB Executive Committee serving as its board. This organization has not been active for the past three years.

**NOTE 11 - SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through October 9, 2023, the date these financials were made available, and found nothing that had a material effect on the financial statements.