

**Colorado Association of School
Executives and Affiliate**

Combined Financial Statements

Years Ended August 31, 2023 and 2022

CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
 FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
COMBINED FINANCIAL STATEMENTS	
Combined statements of financial position	3-4
Combined statements of activities	5
Combined statements of cash flows	6
Notes to combined financial statements	7-14
OTHER SUPPLEMENTARY INFORMATION	
Combining Statement of Financial Position	15-16
Combining Statement of Activities	17
Combining Statement of Cash Flows	18



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

Opinion

We have audited the accompanying combined financial statements of Colorado Association of School Executives (CASE) and its affiliate, (Colorado non-profit corporations), which comprise the combined statement of financial position as of August 31, 2023, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of CASE and its affiliate as of August 31, 2023, and the results of its combined operations and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 CASE and its affiliate 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

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 combined 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 combined 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 CASE and its affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASE and its affiliate'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.

Report on Summarized Comparative Information

We have previously audited the August 31, 2022 combined financial statements of CASE and its affiliate, and we have expressed an unmodified audit opinion on those audited combined financial statements in our report dated January 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Johnson and Associates, CPAs, PC

Sterling, Colorado
February 27, 2024

Colorado Association of School Executives and Affiliate
 Combined Statements of Financial Position
 August 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash, cash equivalents, and restricted cash	\$ 1,067,165	\$ 1,243,906
Investments	997,506	239,469
Accounts receivable, less allowance for doubtful accounts of \$3,211 (2023) and \$19,849 (2022)	494,214	376,172
Other current assets	152,335	141,563
TOTAL CURRENT ASSETS	<u>2,711,220</u>	<u>2,001,110</u>
OTHER ASSETS, condo reserve account	-	3,750
PROPERTY AND EQUIPMENT		
Furniture and fixtures	39,414	-
Office equipment	5,599	-
	45,013	-
Less accumulated depreciation	(1,799)	-
NET PROPERTY AND EQUIPMENT	<u>43,214</u>	-
TOTAL ASSETS	<u>\$ 2,754,434</u>	<u>\$ 2,004,860</u>

See accompanying notes to combined financial statements.

Colorado Association of School Executives and Affiliate
 Combined Statements of Financial Position
 August 31, 2023 and 2022

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable - trade	\$ 405,301	\$ 334,233
Accounts payable - other	179,971	159,404
Deferred revenue - dues, website and conferences	859,900	549,065
TOTAL CURRENT LIABILITIES	<u>1,445,172</u>	<u>1,042,702</u>
NET ASSETS		
With donor restrictions	26,600	26,600
Without donor restrictions	1,282,662	935,558
TOTAL NET ASSETS	<u>1,309,262</u>	<u>962,158</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,754,434</u>	<u>\$ 2,004,860</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, 2023 and 2022

	2023	2022
Net Assets Without Donor Restrictions		
Revenues, Gains and Other Support -		
Membership dues	\$ 1,418,601	\$ 1,217,695
Professional learning	1,852,959	1,386,232
Website income	56,330	51,778
Grants	50,000	-
Investment income	8,037	303
Interest income	152	12
Other income	24,811	62,903
Loss on sale of property and equipment	-	(82,528)
Net assets released from restrictions:		
Satisfaction of restriction	-	(3,641)
Total Revenues, Gains and Other Support	<u>3,410,890</u>	<u>2,632,754</u>
Expenses -		
Program services		
Membership	130,338	140,529
Professional learning	1,743,660	1,388,927
Legislative	185,166	77,700
Governance	24,704	11,660
Total Program Services	<u>2,083,868</u>	<u>1,618,816</u>
Support services		
Payroll and payroll related	730,574	480,630
Professional fees	27,513	49,055
Office related	56,237	57,114
Bank and credit card fees	96,169	87,665
Staff travel	28,411	24,603
Other general and administrative	23,795	30,984
Building and equipment rent	15,420	48,150
Interest expense	-	24,394
Depreciation	1,799	33,044
Total Support Services	<u>979,918</u>	<u>835,639</u>
Total Expenses	<u>3,063,786</u>	<u>2,454,455</u>
Change in Net Assets Without Donor Restrictions	<u>347,104</u>	<u>178,299</u>
Net Assets With Donor Restrictions		
Investment income	1,589	(3,641)
Net assets released from restrictions:		
Satisfaction of restriction	(1,589)	3,641
Change in Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>
Change in Net Assets	347,104	178,299
Net Assets, Beginning of Year	<u>962,158</u>	<u>783,859</u>
Net Assets, End of Year	<u>\$ 1,309,262</u>	<u>\$ 962,158</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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 347,104	\$ 178,299
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Change in allowance for doubtful accounts	(16,638)	12,689
Depreciation	1,799	33,044
Unrealized losses on investment account	457	4,325
Loss on sale of property and equipment	-	82,528
Change in assets and liabilities:		
Accounts receivables	(101,404)	158,798
Other current assets	(10,772)	(110,903)
Condo reserve account	3,750	14,134
Accounts payable - trade	71,068	94,663
Accounts payable - other	20,567	20,503
Deferred memberships	310,835	(319,950)
Net cash provided by (used in) operating activities	<u>626,766</u>	<u>168,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer into investment account	(750,000)	-
Reinvested earnings on investment account	(8,494)	(987)
Proceeds from sale of property and equipment	-	938,492
Acquisition of property and equipment	(45,013)	(104,625)
Net cash provided by (used in) investing activities	<u>(803,507)</u>	<u>832,880</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable principal payments	-	(644,086)
Lease payable principal payments	-	(4,416)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(648,502)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	(176,741)	352,508
Cash, cash equivalents, and restricted cash:		
Beginning	<u>1,243,906</u>	<u>891,398</u>
Ending	<u>\$ 1,067,165</u>	<u>\$ 1,243,906</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ -</u>	<u>\$ 24,394</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, 2023**

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 financial officers and business officials.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

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, 2023 and 2022. 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, 2023, and August 31, 2022. 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 and mutual 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

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

that is significant 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 and mutual 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 less than three months, 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 \$101,191 at August 31, 2023 and \$107,344 at August 31, 2022.

Investments

Investments consist of money market funds and mutual funds. Money market funds are considered an investment, as they are held with a brokerage firm, and the Association considers them 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.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

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, 2023 accounts receivable consist principally of amounts billed, but not collected, for memberships and dues for the 2024 fiscal year. August 31, 2022 accounts receivable consist principally of amounts billed, but not collected, for memberships and dues for the 2023 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 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 \$24,637 and \$24,265 for the years ended August 31, 2023 and 2022, 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 tax-exempt purposes is subject to taxation as unrelated business income. No unrelated business events occurred during fiscal 2023 or 2022 that would have created an income tax liability for either entity.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

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.

Reclassifications

Certain amounts in the prior periods have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

NOTE 3: LIQUIDITY AND FUNDS AVAILABLE

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

	2023	2022
Financial assets:		
Cash, cash equivalents and restricted cash	\$ 1,067,165	\$ 1,243,906
Investments	997,506	239,469
Accounts receivable	494,214	376,172
Financial assets, at year-end	2,558,885	1,859,547
Less amounts not available to be used within one year:		
Funds held for other groups	(101,191)	(107,344)
Net assets with donor restrictions	(26,600)	(26,600)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,431,094	\$ 1,725,603

Management monitors operating liquidity needs and invests excess funds in CDs with appropriate maturities.

NOTE 4: INVESTMENTS

The Association has the following investments as of August 31:

	2023	2022
Cash and cash equivalents	\$ 375,503	\$ 217,763
Mutual funds and bonds	621,973	21,706
	\$ 997,506	\$ 239,469

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR’S REPORT
AUGUST 31, 2023**

Investment income consists of the following for the years ended August 31:

	2023	2022
Interest and dividends	\$ 8,494	\$ 987
Net realized and unrealized gains	(457)	(4,325)
	<u>\$ 8,037</u>	<u>\$ (3,338)</u>

The Association classifies its mutual funds as available for sale and they are carried in the financial statements at fair value. Realized and unrealized gains and losses, determined using the first-in, first-out method, are included in the financial statements as investment income.

NOTE 5: LEASE OBLIGATION

The Association executed a lease agreement with Mapleton Public Schools, effective September 1, 2023, for approximately 1,500 square feet of office space. The lease expires August 31, 2028, but may be renewed for up to five one-year periods. Rent is \$4,000 per month, payable quarterly. Annual rent payments will be \$48,000 for each of the next five years. The Association anticipates accounting for this lease arrangement in accordance with Accounting Standards Codification Topic 842 (ASC 842).

NOTE 6: DEBT OBLIGATION

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 note was secured by a deed of trust on the building. The building was sold on August 15, 2022. The Association’s share of the selling price was \$1,000,000; \$621,688 of this was used to pay off the note balance and accrued interest. The Association recognized a loss of \$82,528 in connection with the sale of the building.

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 ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

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: 10.5% from July of 2021 through June of 2022; and 11.0% after June of 2022. CASE's contribution rate for calendar years 2021, 2022 and 2023 was 20.95%, 21.00%, and 21.57%, 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, 2023 and 2022 were \$180,024 and \$150,541, 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 60.63% as of December 31, 2022, and a funded status of 73% as of December 31, 2021. The Association's percentage of the SDTF plan (based on Association contributions relative to all contributions received by SDTF for the 2022 fiscal year and the 2021 fiscal year) was .0200% as of December 31, 2022, and .0204% as of December 31, 2021.

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.

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, 2023, and 2022 was \$9,068 and \$7,705, respectively.

Funding Status

HCTF's financial statements are reported on a calendar year basis. HCTF had a funded status of 38.57% as of December 31, 2022, and a funded status of 39.40% as of December 31, 2021. The Association's percentage of the HCTF plan (based on Association contributions relative to all contributions received by HCTF for the 2023 fiscal year and the 2022 fiscal year) was .00876% as of December 31, 2022, and .00789% as of December 31, 2021.

**COLORADO ASSOCIATION OF SCHOOL EXECUTIVES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT
AUGUST 31, 2023**

NOTE 8: LITIGATION

On August 17, 2023, the Association filed a lawsuit as part of a larger plaintiff group against the State of Colorado asserting that the State's implementation of the new universal preschool program unlawfully prevented school districts from serving students and their families as State law required. Other plaintiffs are the Consortium for Directors of Special Education, Centennial BOCES, Brighton School District 27-J, Cheery Creek School District, Harrison School District, Mapleton Public Schools, Platte Valley School District, Westminster Public Schools, and two sets of parents in preschool. In addition to the State of Colorado, the defendants are Governor Jared Polis, the Colorado Department of Education, Commissioner of Education Susan Cordova, the Colorado Department of early Childhood, and Colorado Department of early Childhood Executive Director Lisa Roy.

A decision from the judge in this matter is pending.

Through February 27, 2024, the Association has incurred approximately \$113,000 of legal fees related to this lawsuit.

NOTE 9: EVALUATION OF SUBSEQUENT EVENTS

Events subsequent to August 31, 2023 have been evaluated through February 27, 2024, the date these financial statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed, except as described in Notes 5 and 8.

Colorado Association of School Executives and Affiliate
Combining Statement of Financial Position
August 31, 2023
With Comparative Totals for August 31, 2022
See Independent Auditor's Report

	Association	Center	Eliminations	Total	
				2023	2022
ASSETS					
CURRENT ASSETS					
Cash, cash equivalents and restricted cash	\$ 660,659	\$ 406,506	\$ -	\$ 1,067,165	\$ 1,243,906
Investments	997,506	-	-	997,506	239,469
Accounts receivable, less allowance for doubtful accounts	494,214	-	-	494,214	376,172
Inter-entity receivable	-	1,013,106	(1,013,106)	-	-
Other current assets	35,776	116,559	-	152,335	141,563
TOTAL CURRENT ASSETS	2,188,155	1,536,171	(1,013,106)	2,711,220	2,001,110
OTHER ASSET, condo reserve account	-	-	-	-	3,750
PROPERTY AND EQUIPMENT					
Furniture and fixtures	39,414	-	-	39,414	-
Office equipment	-	5,599	-	5,599	-
	39,414	5,599	-	45,013	-
Less accumulated depreciation	(1,799)	-	-	(1,799)	-
	37,615	5,599	-	43,214	-
TOTAL ASSETS	\$ 2,225,770	\$ 1,541,770	\$ (1,013,106)	\$ 2,754,434	\$ 2,004,860

Colorado Association of School Executives and Affiliate
Combining Statement of Financial Position
August 31, 2023
With Comparative Totals for August 31, 2022
See Independent Auditor's Report

	Association	Center	Eliminations	Total	
				2023	2022
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable - trade	\$ 73,773	\$ 331,528	\$ -	\$ 405,301	\$ 334,233
Accounts payable - other	179,971	-	-	179,971	159,404
Deferred revenue - dues, website and conferences	639,645	220,255	-	859,900	549,065
Inter-entity payable	1,013,106		(1,013,106)	-	-
TOTAL CURRENT LIABILITIES	1,906,495	551,783	(1,013,106)	1,445,172	1,042,702
NET ASSETS					
With donor restrictions	26,600	-	-	26,600	26,600
Without donor restrictions	292,675	989,987	-	1,282,662	935,558
TOTAL NET ASSETS	319,275	989,987	-	1,309,262	962,158
TOTAL LIABILITIES AND NET ASSETS	\$ 2,225,770	\$ 1,541,770	\$ (1,013,106)	\$ 2,754,434	\$ 2,004,860

Colorado Association of School Executives and Affiliate
Combining Statement of Activities
For the Year Ended August 31, 2023
With Comparative Totals for the Year Ended August 31, 2022
See Independent Auditor's Report

	Association	Center	Eliminations	Total	
				2023	2022
Net Assets Without Donor Restrictions					
Revenues, Gains and Other Support -					
Membership dues	\$ 1,418,601	\$ -	\$ -	\$ 1,418,601	\$ 1,217,695
Professional learning	-	2,182,162	(329,203)	1,852,959	1,386,232
Website income	56,330	-	-	56,330	51,778
Grants	50,000	-	-	50,000	-
Investment income	8,037	-	-	8,037	303
Interest income	-	152	-	152	12
Other income	24,811	-	-	24,811	62,903
Loss on sale of property and equipment	-	-	-	-	(82,528)
Net assets released from restrictions:					
Satisfaction of restriction		-	-	-	(3,641)
Total Revenues, Gains and Other Support	1,557,779	2,182,314	(329,203)	3,410,890	2,632,754
Expenses -					
Program services					
Membership	459,541	-	(329,203)	130,338	140,529
Professional learning	-	1,743,660	-	1,743,660	1,388,927
Legislative	185,166	-	-	185,166	77,700
Governance	19,965	4,739	-	24,704	11,660
Total Program Services	664,672	1,748,399	(329,203)	2,083,868	1,618,816
Support services					
Payroll and payroll related	730,574	-	-	730,574	480,630
Professional fees	22,681	4,832	-	27,513	49,055
Office related	49,512	6,725	-	56,237	57,114
Bank and credit card fees	31,474	64,695	-	96,169	87,665
Staff travel	28,411	-	-	28,411	24,603
Other general and administrative	16,545	7,250	-	23,795	30,984
Building and equipment rent	13,420	2,000	-	15,420	48,150
Interest expense	-	-	-	-	24,394
Depreciation	900	899	-	1,799	33,044
Total Support Services	893,517	86,401	-	979,918	835,639
Total Expenses	1,558,189	1,834,800	(329,203)	3,063,786	2,454,455
Change in Net Assets Without Donor Restrictions	(410)	347,514	-	347,104	178,299
Net Assets With Donor Restrictions					
Investment income	1,589	-	-	1,589	(3,641)
Net assets released from restrictions:					
Satisfaction of restriction	(1,589)	-	-	(1,589)	3,641
Change in Net Assets With Donor Restrictions	-	-	-	-	-
Change in Net Assets	(410)	347,514	-	347,104	178,299
Net Assets, Beginning of Year	319,685	642,473	-	962,158	783,859
Net Assets, End of Year	\$ 319,275	\$ 989,987	\$ -	\$ 1,309,262	\$ 962,158

Colorado Association of School Executives and Affiliate
Combining Statement of Cash Flows
For the Year Ended August 31, 2023
With Comparative Totals for the Year Ended August 31, 2022
See Independent Auditor's Report

	Association	Center	Total	
			2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ (410)	\$ 347,514	\$ 347,104	\$ 178,299
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:				
Change in allowance for doubtful accounts	(16,638)	-	(16,638)	12,689
Depreciation	900	899	1,799	33,044
Unrealized losses on investment account	457	-	457	4,325
Loss on sale of property and equipment	-	-	-	82,528
Change in assets and liabilities:				
Accounts receivables	(101,404)	-	(101,404)	158,798
Inter-entity receivables/payables	181,497	(181,497)	-	-
Other current assets	7,052	(17,824)	(10,772)	(110,903)
Condo reserve account	3,750	-	3,750	14,134
Accounts payable - trade	21,849	49,219	71,068	94,663
Accounts payable - other	20,567	-	20,567	20,503
Deferred memberships	245,055	65,780	310,835	(319,950)
Net cash provided by (used in) operating activities	362,675	264,091	626,766	168,130
CASH FLOWS FROM INVESTING ACTIVITIES				
Transfer into investment account	(750,000)	-	(750,000)	-
Reinvested earnings on investment accounts	(8,494)	-	(8,494)	(987)
Proceeds from sale of property and equipment	-	-	-	938,492
Acquisitions of property and equipment	(39,414)	(5,599)	(45,013)	(104,625)
Net cash provided by (used in) investing activities	(797,908)	(5,599)	(803,507)	832,880
CASH FLOWS FROM FINANCING ACTIVITIES				
Notes payable principal payments	-	-	-	(644,086)
Lease payable principal payments	-	-	-	(4,416)
Net cash provided by (used in) financing activities	-	-	-	(648,502)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(435,233)	258,492	(176,741)	352,508
Cash, cash equivalents, and restricted cash:				
Beginning	1,095,892	148,014	1,243,906	891,398
Ending	\$ 660,659	\$ 406,506	\$ 1,067,165	\$ 1,243,906
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION				
Cash payments for interest	\$ -	\$ -	\$ -	\$ 24,394