



**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**  
**FINANCIAL REPORT**  
**FOR YEAR ENDED JUNE 30, 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Washington Association of School Business Officials  
Tumwater, Washington

### ***Opinion***

We have audited the financial statements of Washington Association of School Business Officials (the Association), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Washington Association of School Business Officials 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Washington Association of School Business Officials 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 Washington Association of School Business Officials' ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 statements.

In performing an audit in accordance with GAAS, 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 Washington Association of School Business Officials' 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 Washington Association of School Business Officials' 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lacey, Washington  
November 22, 2023

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023

ASSETS

Current Assets	
Cash, cash equivalents, and restricted cash	\$ 148,297
Accounts receivable	3,810
Prepaid expenses	53,727
Investments	<u>442,273</u>
Total current assets	<u>648,107</u>
Other Assets	
Property and equipment - net	237,004
Right-of-use asset - non-current	12,262
Prepaid expenses	<u>14,000</u>
Total other assets	<u>263,266</u>
Total assets	<u><u>\$ 911,373</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 45,371
Accrued liabilities	50,636
Deferred revenue	287,495
Current lease liability - financing	<u>2,261</u>
Total current liabilities	385,763
Long-Term Lease Liability - Financing	<u>10,001</u>
Total liabilities	<u>395,764</u>
Net Assets	
Net assets without donor restrictions	499,615
Net assets with donor restrictions - scholarships	<u>15,994</u>
Total net assets	<u>515,609</u>
Total liabilities and net assets	<u><u>\$ 911,373</u></u>

See accompanying notes to financial statements.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2023

Net Assets Without Donor Restrictions:

Revenues and Other Support

Annual conference	\$ 360,863
Curriculum	178,318
Membership dues	356,550
Workshops	389,050
Partner sponsorships	101,300
P-Card rebates	1,074,771
Other income	57,143
Net assets released from restrictions	<u>14,870</u>
Total revenues and other support	<u>2,532,865</u>

Expenses

Program services

Annual conference	525,693
Curriculum	211,122
Workshops	319,267
Member services	167,075
P-Card expenses	1,070,892

Support services

Management and general	<u>330,324</u>
Total expenses	<u>2,624,373</u>

Change in net assets without donor restrictions (91,508)

Net Assets With Donor Restrictions:

Revenues and Other Support

Contributions	2,014
Net assets released from restrictions	<u>(14,870)</u>
Change in net assets with donor restrictions	<u>(12,856)</u>

Change in net assets (104,364)

Net Assets

Beginning of year	<u>619,973</u>
End of year	<u><u>\$ 515,609</u></u>

See accompanying notes to financial statements.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023

	Program Expenses				Supporting Services		
	Annual Conference	Curriculum	Workshops	Member Services	Total Program	General and Administrative	Total Expenses
Payroll and related expenses	\$ 186,224	\$ 93,441	\$ 157,929	\$ 105,944	\$ 543,538	\$ 114,499	\$ 658,037
Workshop expenses	-	-	122,374	-	122,374	-	122,374
Curriculum expenses	-	95,935	-	-	95,935	-	95,935
ASBO	-	-	-	-	-	43,110	43,110
Board meetings	-	-	-	-	-	57,415	57,415
Office expenses	25,253	12,671	21,416	14,367	73,707	15,527	89,234
Professional fees	-	-	-	-	-	56,062	56,062
Credit card fees	9,102	4,498	9,813	8,994	32,407	-	32,407
Conference expenses	295,993	-	-	-	295,993	-	295,993
Government relations and lobbying	-	-	-	-	-	13,230	13,230
Building expenses	6,312	3,167	5,353	3,591	18,423	3,881	22,304
Taxes and insurance	-	-	-	-	-	14,046	14,046
Scholarships	-	-	-	30,470	30,470	-	30,470
Depreciation	2,809	1,410	2,382	1,598	8,199	1,728	9,927
P-Card rebate	-	-	-	1,070,892	1,070,892	-	1,070,892
Miscellaneous expenses	-	-	-	2,111	2,111	10,826	12,937
<b>Total</b>	<b><u>\$ 525,693</u></b>	<b><u>\$ 211,122</u></b>	<b><u>\$ 319,267</u></b>	<b><u>\$ 1,237,967</u></b>	<b><u>\$ 2,294,049</u></b>	<b><u>\$ 330,324</u></b>	<b><u>\$ 2,624,373</u></b>

See accompanying notes to financial statements.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities	
Change in net assets	\$ (104,364)
Adjustments to reconcile change in net assets to net cash flows used in operating activities	
Depreciation	9,927
Reinvested interest and dividends	(11,810)
Unrealized and realized gain on investments	(19,211)
Increase in operating assets	
Accounts receivable	(557)
Prepaid expense	(17,225)
Increase in operating liabilities	
Accounts payable	20,656
Accrued liabilities	933
Deferred revenue	<u>39,520</u>
Net cash flows used in operating activities	<u>(82,131)</u>
Net changes in cash and cash equivalents	(82,131)
Cash, Cash Equivalents, and Restricted Cash	
Beginning of year	<u>230,428</u>
End of year	<u>\$ 148,297</u>
Supplemental Disclosures of Cash Flow Information	
Noncash investing and financing transactions:	
Copier lease	\$ 12,262

See accompanying notes to financial statements.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Washington Association of School Business Officials (WASBO) is a professional association that provides programs and services to its members and non-members by promoting best practices of school business management, professional growth, and the effective use of educational resources.

WASBO (the Association) provides training to ensure that the public good is served by the use of sound business management practices and concepts. It sponsors and provides workshop classes and an annual conference for the improvement of skills and abilities of school business officials. It also provides programs of an advisory and consultant capacity in school districts and other organizations in matters relating to school business administration, research, information, technical assistance, and legislative activity.

WASBO is a member of the Association of School Business Officials International (ASBO) and its members can choose to also join ASBO for an additional fee.

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

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the Guide).

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association are classified and reported as follows:

**Net assets without donor restrictions** – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. The Board of Directors may designate assets without restrictions for specific purposes over which the Board retains control and may, at its discretion, subsequently use for other purposes.

**Net assets with donor restrictions** – net assets subject to donor-imposed stipulations, that will be met by actions of the Association and/or the passage of time. Net assets with donor restrictions are for scholarship purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based on the time spent, specific identification or allocation methodologies.

The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Personnel costs	Time and effort
Office, building and depreciation	Full time equivalent
Credit card fees	Revenue source

The program and supporting services are as follows:

**Annual conference:** Provides a three-day event dedicated to the professional development of Association members and non-members. Content is delivered through a series of educational sessions relevant to the duties, roles and hot topics currently affecting school business professionals across the state. Organized networking opportunities are also provided at the event.

In addition, it serves as the annual meeting of Association members in which Board elections are held, important organization updates/announcements are made, and members are recognized for their accomplishments and work throughout the year.

**Workshops:** Provide half- to full-day trainings administered to support the professional growth and success in Association members and non-members. Content is evaluated and curated on a yearly basis to promote standardized skillsets and establish a basic level of competency for those in similar roles across Washington. Meetings are held in central locations that best fit each region of the state.

**Curriculum:** Provide multi-day course programs available to Association members and non-members. Course curriculum is designed to build, standardize, and strengthen professional competencies and contribute to the ability to earn professional certifications with WASBO. Curriculum is generally characterized by the assessments administered at the end to determine whether the individual can adequately demonstrate and apply what they have learned over the course of the program.

**Member services:** Provide organizational activities designed to enhance Association member and non-member experiences to retain and gain new membership.

**General and administrative:** Involves the direction of the overall affairs of the Association, which includes accounting, personnel, professional fees, administrative, and related expenses.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents, and Restricted Cash

The Association considers all liquid investments with an original maturity of three months or less to be cash equivalents. The Association considers all restricted highly liquid instruments with a maturity of three months or less at the time of issuance to be restricted cash and cash equivalents. In accordance with the provisions of ASU 2016-18, *Statement of Cash Flows: Restricted Cash*, the Association includes restricted cash and cash equivalents within the balance of cash and cash equivalents presented in the statement of cash flows. Cash and cash equivalents consist of checking and money market accounts.

The Association has cash deposits in a FDIC insured bank which may exceed federally insured limits. No losses have been experienced on these accounts.

Investments

Investments are reported at fair value. The estimated fair value of mutual funds is based on the closing net asset value per share of each underlying fund as reported by the investment manager as of the reporting date.

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments is presented net of investment fees and is included in the Statements of Activities and Changes in Net Assets as a part of other income.

All investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risks associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term, and such change could materially affect the amounts reported in the financial statements.

Fair Value

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal and most advantageous market for the asset or liability between market participants on the measurement date. The three levels of fair value hierarchy are as follows:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 – Inputs other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable inputs that cannot be corroborated by observable market data for the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Association's significant revenue recognition policies are described below:

*Membership dues*

Amounts charged by the Association to members for the general rights of membership, includes access to the members-only section of the Association's website; advocacy representation for members on issues affecting their interest; a members-only subscription to the Association's daily, weekly, and bi-weekly electronic communications; and access to networking groups, and other professional resources. Although the Association does not execute a contract with its members, management considers payment of annual dues, based on prices determined by the Association, to constitute member acceptance of the offered benefits. The performance obligations are satisfied over the membership period, using the input method, which coincides with the Association's reporting period.

*Conference, Curriculum, Workshops, and Sponsorships*

The Association holds and sponsors events throughout the year, that require the purchase of registration fees or sponsorship proposals. Performance obligations are satisfied at the time of the event when the services are transferred.

For registration fees, discounts are offered to members as part of their membership. Sponsorships are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total sponsorship paid and the exchange element. The exchange element includes benefits such as complimentary registrations, memberships, and exhibit booths and are recorded in their applicable line items in the statement of activities. The Association recognizes the exchange portion of sponsorship revenue in accordance with the type of benefit received and the contribution portion immediately. The contribution portion is included in Partner Sponsorships on the Statement of Activities.

Accounts Receivable and Deferred Revenue

Accounts receivable are primarily related to events and membership dues and are recorded at the amount management expects to collect. With respect to estimating the allowance for uncollectible accounts, management analyzes the aging of accounts receivable, historical bad debts, customer credit worthiness and current economic trends and records an allowance as appropriate. No allowance for uncollectible accounts is reported at June 30, 2023, since management considers the balance in accounts receivable to be collectible.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable and Deferred Revenue

Revenues are deferred when monies for events and services are received prior to events occurring and consist of the following at June 30:

	Dues	Dues	Curriculum	Total
Deferred revenue, beginning of year	\$ 183,950	\$ 14,025	\$ 50,000	\$ 247,975
Dues, workshops and curriculum revenues recognized	(183,950)	(14,025)	(50,000)	(247,975)
Collections of dues, workshops and curriculum	200,850	18,000	68,645	287,495
Total deferred revenue	\$ 200,850	\$ 18,000	\$ 68,645	\$ 287,495

Purchasing Card Program

WASBO has partnered with the Illinois Association of School Business Officials and Bank of Montreal (collectively, the Provider) to offer purchasing cards to Washington school districts at no cost. The agreement terminates on March 31, 2027 unless cancelled under the terms provided. The program runs from April 1st through March 31st and a rebate is earned based on several factors, including the amount of the school districts purchases and the number of grace days from payment. The agreement with the Provider stipulates that the Association will receive the rebate without restrictions as to use. WASBO has advertised it will, and has historically paid, the entire rebate received each year to its members. During the agreement year ended March 31, 2023, the Association earned rebates of \$1,074,771. The Association paid \$1,070,892 of the rebate received to the participating school districts as a contribution, and it is reported on the statement of functional expenses as P-card rebate.

Property and Equipment

Property and equipment are stated at original cost or donated fair value, less accumulated depreciation. All acquisitions of property and equipment in excess of \$1,000 with a useful life of more than one year are capitalized and depreciated using the straight-line method over the estimated useful lives of the related assets ranging as follows:

Building	39 years
Furniture, fixtures, and equipment	5 – 10 years

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Association adopted the requirements of the guidance effective July 1, 2022, and using a modified retrospective approach, with certain practical expedients available.

The Association has elected to adopt the package of practical expedients available in the year of adoption.

The following practical expedients have been adopted effective July 1, 2022:

- The Association does not reassess whether any expired or existing contracts are or contain leases.
- The Association does not reassess lease classification for any expired or existing leases.
- The Association does not reassess initial direct costs for existing leases.

The Association has elected not to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Association's ROU assets.

The Association elected the available practical expedients to account for existing capital as financing leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Income Tax Status

The Association is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Association is not a private foundation. Taxes are imposed on unrelated business taxable income as defined in the Internal Revenue Code. No provision for unrelated business income taxes was recognized for the year ended June 30, 2023.

The Association adopted the accounting standard on accounting for uncertain tax positions, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. No liability has been recognized by the Association for uncertain tax positions as of June 30, 2023.

Subsequent Events

The Association has evaluated subsequent events through November 22, 2023, which is the date the financial statements were available for issuance.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 2 – INVESTMENTS

The Association has the following investments at June 30:

	2023	
	Fair Value	Unrealized Gain
Mutual funds	\$ 442,273	\$ 19,211

Investment income is included in other income on the statement of activities. For the year ended June 30, investment income consisted of the following:

	2023
Interest and dividend income	\$ 11,823
Realized and unrealized gains	19,211
Investment management fees	-
Total	\$ 31,034

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the Association’s fair value hierarchy for investments measured at fair value on a recurring basis:

	Mutual Funds			
	Quoted Market	Other Observable	Unobservable	
	Prices in Active			
	Markets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	
As of June 30, 2023	\$ 442,273	\$ -	\$ -	\$ 442,273

Financial instruments as of June 30, 2023 consisted of mutual funds. Mutual funds are valued based on the fair value of the net assets in the funds which are published daily. As a result, all instruments have been classified as Level 1.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2023
Buildings	\$ 387,148
Furniture, fixtures, and equipment	2,398
Total cost	389,546
Less accumulated depreciation and amortization	152,542
Property and equipment - net	\$ 237,004

Depreciation expense for the year ended June 30, 2023 was \$9,927, which includes amortization of an asset under a financing lease.

NOTE 5 – RETIREMENT PLAN

The Association has a 403(b) retirement plan which covers all employees after 30 days of employment. The plan provides for discretionary employer matching contributions. Employer matching contributions was \$30,621 for the year ended June 30, 2023.

NOTE 6 – LEASES

*Operating Lease*

In July 2018, the Association entered into a lease for a copier under a 60-month operating lease agreement. The lease requires monthly payments of \$305 over the total lease term and includes an option to purchase the copier at the end of the lease for the fair value of the asset. This lease expired in June 2023.

*Financing Lease*

At the end of June 2023, the Association entered into a lease for a copier under an agreement classified as a financing lease. The capitalized cost of the equipment was \$12,262, and no amortization was taken for the year ended June 30, 2023 due to the timing of the lease commencement.

ROU assets represent the Association’s right to use an underlying asset for the lease term and lease liabilities represent the Association’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Association uses risk-free rates based on the information available at commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. The Association has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The Association has elected to separate nonlease components from lease components.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 6 – LEASES (continued)

*Financing Lease* (continued)

The copier lease provides for monthly payments of \$226 for 60 months. Total rent expense was as follows for the year ended June 30:

	2023
Operating lease costs	\$ 4,007
Finance Lease Costs	
Amortization of right-of use assets	-
Interest on lease liabilities	-
Total lease costs	\$ 4,007
Other information:	
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 12,262
Weighted-average remaining lease term - financing lease	4.9 years
Weighted-average discount rate - financing lease	3.99%

Minimum lease payments due under the financing lease for future years ending June 30 are as follows:

2024	\$ 2,709
2025	\$ 2,709
2026	\$ 2,709
2027	\$ 2,709
2028	2,709
Total minimum lease payments	13,545
Less: amount representing interest	1,283
Present value of net minimum lease payments	12,262
Less: current maturities of finance lease obligation	2,261
Long-term finance lease obligation	\$ 10,001

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023

NOTE 7 – RISKS, COMMITMENTS, AND CONTINGENCIES

A conference is held each year to provide members the opportunity to improve their skills and to network with other school business officials. WASBO has contracted with various vendors to make future conferences possible. The amounts shown below are estimated total commitments for which the Association is currently obligated to for future events. The Association carries special event insurance to cover potential losses for the current annual conference.

2024		\$ 152,757
2025		226,099
2026		62,489
2027		171,088
2028		<u>65,978</u>
Total contingent liability		<u><u>\$ 678,411</u></u>

NOTE 8 – LIQUIDITY

The Association’s financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents		\$ 148,297
Accounts receivable		3,810
Investments		<u>442,273</u>
Total current assets		594,380
Less: designated and restricted cash		<u>15,994</u>
Available assets		<u><u>\$ 578,386</u></u>

The Association’s financial assets have been reduced by amounts not available for general use because of donor restrictions and internal designations.

As part of the Association’s liquidity management, it has a practice of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests cash in excess of daily requirements in investments, including short-term investments.



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