



FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
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YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Washington Association of School Business Officials (the Association), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statement of activities and changes in nets assets, functional expenses, and cash flows for the years 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audits. 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.

Auditors' 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

Lacey, Washington
December 15, 2024

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash, Cash Equivalents, and Restricted Cash	\$ 120,665	\$ 148,297
Accounts Receivable	1,730	3,810
Prepaid Expenses	68,227	53,727
Investments	304,972	442,273
Total Current Assets	495,594	648,107
OTHER ASSETS		
Property and Equipment, Net	227,077	237,004
Right-of-Use Asset, Noncurrent	10,000	12,262
Prepaid Expenses	22,758	14,000
Total Other Assets	259,835	263,266
Total Assets	\$ 755,429	\$ 911,373
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 15,009	\$ 45,371
Accrued Liabilities	55,365	50,636
Deferred Revenue	323,125	287,495
Current Lease Liability - Financing	2,353	2,261
Total Current Liabilities	395,852	385,763
LONG-TERM LEASE LIABILITY - FINANCING	7,647	10,001
Total Liabilities	403,499	395,764
NET ASSETS		
Without Donor Restrictions	322,502	499,615
With Donor Restrictions - Scholarships	29,428	15,994
Total Net Assets	351,930	515,609
Total Liabilities and Net Assets	\$ 755,429	\$ 911,373

See accompanying Notes to Financial Statements.

**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Other Support:		
Annual Conference	\$ 429,250	\$ 360,863
Curriculum	155,285	178,318
Membership Dues	350,300	356,550
Workshops	367,300	389,050
Partner Sponsorships	71,100	101,300
P-Card Rebates	965,821	1,074,771
Investment Income	42,677	31,034
Other Income	16,968	26,109
Net Assets Released from Restrictions	14,025	14,870
Total Revenues and Other Support	2,412,726	2,532,865
Expenses:		
Program Services:		
Annual Conference	572,053	525,693
Curriculum	187,363	211,122
Workshops	295,942	319,267
Member Services	143,989	167,075
P-Card Expenses	962,891	1,070,892
Support Services:		
Management and General	427,601	330,324
Total Expenses	2,589,839	2,624,373
Change in Net Assets Without Donor Restrictions	(177,113)	(91,508)
NET ASSETS WITH DONOR RESTRICTIONS		
Revenues and Other Support:		
Contributions	27,459	2,014
Net Assets Released from Restrictions	(14,025)	(14,870)
Change in Net Assets With Donor Restrictions	13,434	(12,856)
CHANGE IN NET ASSETS	(163,679)	(104,364)
Net Assets - Beginning of Year	515,609	619,973
NET ASSETS - END OF YEAR	\$ 351,930	\$ 515,609

See accompanying Notes to Financial Statements.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Expenses				Total Program	Supporting Services	Total Expenses
	Annual Conference	Curriculum	Workshops	Member Services		General and Administrative	
Payroll and Related Expenses	\$ 162,814	\$ 98,164	\$ 166,706	\$ 97,948	\$ 525,632	\$ 196,543	\$ 722,175
Workshop Expenses	-	-	94,315	-	94,315	-	94,315
Curriculum Expenses	-	70,170	-	-	70,170	-	70,170
ASBO	9,186	-	-	2,563	11,749	3,274	15,023
Board Meetings	-	-	-	-	-	70,277	70,277
Office Expenses	17,447	10,519	17,864	10,496	56,326	21,060	77,386
Professional Fees	-	-	-	-	-	73,312	73,312
Credit Card Fees	10,783	3,900	9,227	8,800	32,710	-	32,710
Conference Expenses	364,176	-	-	-	364,176	-	364,176
Government Relations and Lobbying	-	-	-	-	-	22,263	22,263
Building Expenses	5,409	3,261	5,538	3,254	17,462	6,528	23,990
Taxes and Insurance	-	-	-	-	-	16,038	16,038
Scholarships	-	-	-	16,350	16,350	-	16,350
Depreciation	2,238	1,349	2,292	1,346	7,225	2,702	9,927
P-Card Rebate	-	-	-	962,891	962,891	-	962,891
Miscellaneous	-	-	-	3,232	3,232	15,604	18,836
Total Expenses by Function	\$ 572,053	\$ 187,363	\$ 295,942	\$ 1,106,880	\$ 2,162,238	\$ 427,601	\$ 2,589,839

See accompanying Notes to Financial Statements.

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

	Program Expenses				Total Program	Supporting Services	Total Expenses
	Annual Conference	Curriculum	Workshops	Member Services		General and Administrative	
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	-	-	-	2,111	2,111	10,826	12,937
Total Expenses by Function	\$ 525,693	\$ 211,122	\$ 319,267	\$ 1,237,967	\$ 2,294,049	\$ 330,324	\$ 2,624,373

See accompanying Notes to Financial Statements.

**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (163,679)	\$ (104,364)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	9,927	9,927
Amortization Right-of-Use Asset	2,262	-
Reinvested Interest and Dividends	(7,170)	(11,810)
Unrealized and Realized Gain on Investments	(35,507)	(19,211)
Increase in Operating Assets:		
Accounts Receivable	2,080	(557)
Prepaid Expense	(23,258)	(17,225)
Increase in Operating Liabilities:		
Accounts Payable	(30,362)	20,656
Accrued Liabilities	4,729	933
Deferred Revenue	35,630	39,520
Net Cash Used by Operating Activities	(205,348)	(82,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturity/Sales of Investments	179,978	-
Net Cash Provided by Investing Activities	179,978	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Financing Lease	(2,262)	-
Net Cash Provided by Financing Activities	(2,262)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(27,632)	(82,131)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	148,297	230,428
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 120,665	\$ 148,297

See accompanying Notes to Financial Statements.

**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 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, 2024 AND 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 nonmembers. 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 nonmember experiences to retain and gain new membership.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Functional Allocation of Expenses (Continued)

General and Administrative

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

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 in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation 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.

**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value (Continued)

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.

Revenue Recognition

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

Membership Dues

Amounts charged by the Association to members 2024 or 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 statements 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. The Organization uses a combination of historical losses, current economic conditions and forward-looking information to estimate credit losses. Management believes the composition of receivables at year-end is consistent with historical and current economic conditions as credit terms, practices and the member base have not changed significantly. Management has determined that all receivables are collectible based on the nature of the membership agreements. No allowance for credit losses is reported at June 30, 2024, and 2023 respectively, since management considers the balance in accounts receivable to be collectible.

**WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accounts Receivable and Deferred Revenue (continued)

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

	2024			
	Member Dues	Vendor Dues	Workshops and Curriculum	Total
Deferred Revenue - Beginning of Year	\$ 200,850	\$ 18,000	\$ 68,645	\$ 287,495
Dues, Workshops, and Curriculum Revenues Recognized	(200,850)	(18,000)	(68,645)	(287,495)
Collections of Dues, Workshops and Curriculum	197,650	22,725	102,750	323,125
Total Deferred Revenue	<u>\$ 197,650</u>	<u>\$ 22,725</u>	<u>\$ 102,750</u>	<u>\$ 323,125</u>
	2023			
	Member Dues	Vendor Dues	Workshops and 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	<u>\$ 200,850</u>	<u>\$ 18,000</u>	<u>\$ 68,645</u>	<u>\$ 287,495</u>

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 years ended March 31, 2024 and 2023, the Association earned rebates of \$965,821 and \$1,074,771, respectively. The Association paid \$962,891 and \$1,070,892, respectively, 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:

Buildings	39 Years
Furniture, Fixtures, and Equipment	5 to 10 Years

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Leases

The Association leases equipment. The Association determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

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 a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. 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 statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Association has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Association has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Income Tax Status

The Association is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC). The Association is not a private foundation. Taxes are imposed on unrelated business taxable income as defined in the IRC. No provision for unrelated business income taxes was recognized for the years ended June 30, 2024 and 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, 2024 and 2023.

WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Subsequent Events

The Association has evaluated subsequent events through December 15, 2024 **December 15, 2024** **December 15, 2024** **December 15, 2024**, which is the date the financial statements were available for issuance.

NOTE 2 INVESTMENTS

The Association has the following investments at June 30:

	2024	
	Fair Value	Unrealized Gain
Mutual Funds	\$ 304,972	\$ 33,071
	2023	
	Fair Value	Unrealized Gains
Mutual Funds	\$ 442,273	\$ 19,211

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

	2024	2023
Interest and Dividend Income	\$ 7,170	11,823
Realized and Unrealized Gains	35,507	19,211
Investment Management Fees	-	-
Total	\$ 42,677	\$ 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			Total
	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
June 30, 2024	\$ 304,972	\$ -	\$ -	\$ 304,972
June 30, 2023	\$ 442,273	\$ -	\$ -	\$ 442,273

Financial instruments as of June 30, 2024 and 2023, respectively, 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, 2024 AND 2023

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2024	2023
Buildings	\$ 387,148	\$ 387,148
Furniture, Fixtures, and Equipment	2,398	2,398
Total Cost	389,546	389,546
Less: Accumulated Depreciation and Amortization	162,469	152,542
Property and Equipment, Net	\$ 227,077	\$ 237,004

Depreciation expense for the years ended June 30, 2024 and 2023 was \$9,927, respectively.

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 were \$36,832 and \$30,621 for the years ended June 30, 2024 and 2023, respectively.

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. The copier lease provides for monthly payments of \$226 for 60 months.

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NOTE 6 LEASES (CONTINUED)

Total rent expense was as follows for the year ended June 30:

Lease Cost:	2024	2023
Operating Lease Costs	\$ 305	\$ 4,007
 Finance Lease Costs:		
Amortization of Right-of-Use Assets	\$ 2,262	\$ -
Interest on Lease Liabilities	448	-
Total Lease Costs	\$ 3,015	\$ 4,007
 Other Information:		
Operating cash flows from finance leases	\$ 448	
Operating cash flows from operating leases	\$ 305	
Financing cash flows from finance leases	\$ 2,262	
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 12,262
Weighted-Average Remaining Lease Term - Financing Lease	3.9 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 2,709
2026	2,709
2027	2,709
2028	2,709
Total Minimum Lease Payments	10,836
Less: Amount Representing Interest	836
Present Value of Net Minimum Lease Payments	10,000
Less: Current Maturities of Finance Lease Obligation	2,353
Long-Term Finance Lease Obligation	\$ 7,647

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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.

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 230,053
2026	62,489
2027	178,996
2028	65,978
Total Contingent Liability	<u>\$ 537,516</u>

NOTE 8 LIQUIDITY

The Association's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents, and Restricted Cash	\$ 120,665	\$ 148,297
Accounts Receivable	1,730	3,810
Investments	304,972	442,273
Total Current Assets	<u>427,367</u>	<u>594,380</u>
Less: Designated and Restricted Cash	29,428	15,994
Total Financial Assets Available for General Use	<u>\$ 397,939</u>	<u>\$ 578,386</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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