

**ASSOCIATION OF CALIFORNIA  
SCHOOL ADMINISTRATORS  
AND AFFILIATES**

**CONSOLIDATED FINANCIAL  
STATEMENTS WITH INDEPENDENT  
AUDITOR'S REPORT**

**YEARS ENDED  
JUNE 30, 2017 AND 2016**

# **ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES**

## **TABLE OF CONTENTS JUNE 30, 2017 AND 2016**

---

|   |    |
|---|----|
| Independent Auditor's Report .....                  | 1  |
| Financial Statements:                               |    |
| Consolidated Statements of Financial Position ..... | 3  |
| Consolidated Statements of Activities .....         | 4  |
| Consolidated Statement of Functional Expenses ..... | 5  |
| Consolidated Statements of Cash Flows .....         | 7  |
| Notes to Consolidated Financial Statements .....    | 8  |
| Supplemental Schedules:                             |    |
| Consolidating Statement of Financial Position ..... | 16 |
| Consolidating Statement of Activities .....         | 18 |

## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Association of California  
School Administrators  
Sacramento, California**

We have audited the accompanying consolidated financial statements of the Association of California School Administrators and Affiliates (Association), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association of California School Administrators and Affiliates as of June 30, 2017 and 2016, and the changes in their members' equity and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**September 29, 2017**

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2017 AND 2016

|  | <u>2017</u>                     | <u>2016</u>                     |
|--|---------------------------------|---------------------------------|
| <b>ASSETS</b>                                    |                                 |                                 |
| <b>CURRENT ASSETS:</b>                           |                                 |                                 |
| Cash and cash equivalents                        | \$ 2,741,633                    | \$ 3,265,882                    |
| Restricted cash - PACs                           | 529,969                         | 1,164,087                       |
| Member receivables                               | 648,383                         | 713,506                         |
| Other accounts receivable                        | 660,755                         | 657,044                         |
| Prepaid expenses and other current assets        | <u>256,093</u>                  | <u>187,579</u>                  |
| Total current assets                             | 4,836,833                       | 5,988,098                       |
| <br><b>INVESTMENTS</b>                           | <br>1,651,918                   | <br>1,478,763                   |
| <br><b>PROPERTY AND EQUIPMENT – Net</b>          | <br><u>9,829,922</u>            | <br><u>9,728,506</u>            |
| <br><b>TOTAL ASSETS</b>                          | <br><u><u>\$ 16,318,673</u></u> | <br><u><u>\$ 17,195,367</u></u> |
| <br><b>LIABILITIES AND MEMBERS' EQUITY</b>       |                                 |                                 |
| <b>CURRENT LIABILITIES:</b>                      |                                 |                                 |
| Accounts payable                                 | \$ 1,023,982                    | \$ 1,332,669                    |
| Rebates payable to regions                       | 114,574                         | 85,043                          |
| Current portion of long-term obligations         | 390,243                         | 367,595                         |
| Accrued vacation                                 | 534,479                         | 490,034                         |
| Lease deposits                                   | 56,167                          | 53,375                          |
| Deferred registration and other fees             | 888,767                         | 873,448                         |
| Deferred membership fees                         | <u>326,058</u>                  | <u>386,686</u>                  |
| Total current liabilities                        | 3,334,270                       | 3,588,850                       |
| <br><b>LONG-TERM OBLIGATIONS</b>                 | <br><u>4,086,990</u>            | <br><u>4,463,025</u>            |
| <br><b>TOTAL LIABILITIES</b>                     | <br>7,421,260                   | <br>8,051,875                   |
| <br><b>MEMBERS' EQUITY – Unrestricted</b>        | <br><u>8,897,413</u>            | <br><u>9,143,492</u>            |
| <br><b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <br><u><u>\$ 16,318,673</u></u> | <br><u><u>\$ 17,195,367</u></u> |

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2017 AND 2016

|   | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|
| <b>REVENUES:</b>                              |                     |                     |
| Membership fees                               | \$ 13,160,295       | \$ 12,120,498       |
| Registration fees                             | 5,439,655           | 5,175,711           |
| Sponsorships                                  | 1,198,215           | 1,164,626           |
| Rental income                                 | 760,823             | 586,372             |
| PAC contributions                             | 744,523             | 789,278             |
| Advertising income                            | 661,971             | 698,869             |
| Interest and investment income (loss)         | 173,426             | (23,685)            |
| Subscription fees                             | 114,135             | 111,055             |
| Legal support                                 | 7,350               | 83,843              |
| Other   | <u>110,875</u>      | <u>85,550</u>       |
| Total revenues                                | <u>22,371,268</u>   | <u>20,792,117</u>   |
| <b>EXPENSES:</b>                              |                     |                     |
| Program services:                             |                     |                     |
| Professional development                      | 8,440,810           | 7,634,047           |
| Governmental relations                        | 3,975,743           | 3,269,307           |
| Member services                               | 2,530,658           | 2,186,642           |
| Communications                                | 2,411,588           | 2,272,561           |
| Regions                                       | 1,978,621           | 1,838,110           |
| Professional assistance                       | 1,157,534           | 1,049,293           |
| Committees                                    | <u>550,950</u>      | <u>482,941</u>      |
| Total program services                        | <u>21,045,904</u>   | <u>18,732,901</u>   |
| Supporting services:                          |                     |                     |
| Governance                                    | 809,221             | 707,010             |
| Operating/financial services                  | 532,945             | 508,948             |
| Executive                                     | <u>229,277</u>      | <u>218,952</u>      |
| Total supporting services                     | <u>1,571,443</u>    | <u>1,434,910</u>    |
| Total expenses                                | <u>22,617,347</u>   | <u>20,167,811</u>   |
| <b>INCREASE (DECREASE) IN MEMBERS' EQUITY</b> | (246,079)           | 624,306             |
| <b>MEMBERS' EQUITY, Beginning of Year</b>     | <u>9,143,492</u>    | <u>8,519,186</u>    |
| <b>MEMBERS' EQUITY, End of Year</b>           | <u>\$ 8,897,413</u> | <u>\$ 9,143,492</u> |

The accompanying notes are an integral part of these consolidated financial statements.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2017

|                                    | Program Services   |                    |                    |                     |                    | Supporting Services |                   |                   |                                     |                   |                      |
|------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|-------------------|-------------------|-------------------------------------|-------------------|----------------------|
|                                    | Prof.<br>Develop.  | Gov't<br>Relations | Member<br>Services | Communi-<br>cations | Regions            | Prof.<br>Assistance | Committees        | Governance        | Operating/<br>Financial<br>Services | Executive         | Total                |
| Personnel                          | \$2,700,012        | \$1,964,071        | \$1,360,793        | \$1,315,170         | \$ 19,946          | \$ 636,228          | \$ 97,451         | \$ 85,198         | \$ 249,041                          | \$ 107,139        | \$ 8,535,049         |
| Professional and contract services | 1,283,414          | 199,884            | 434,605            | 93,814              | 4,189              | 267,423             | 34,961            | 91,652            | 52,297                              | 22,499            | 2,484,738            |
| Business meetings and expenses     | 1,817,172          | 27,838             | 64,182             | 6,969               | 264                | 14,275              | 98,245            | 157,701           | 3,291                               | 1,416             | 2,191,353            |
| Rebates to regions                 |                    |                    |                    |                     | 1,935,934          |                     |                   | 103,128           |                                     |                   | 2,039,062            |
| Travel                             | 576,716            | 115,119            | 112,624            | 37,538              | 644                | 41,065              | 189,062           | 273,264           | 8,036                               | 3,457             | 1,357,525            |
| Political contributions            | 342                | 1,099,377          | 629                | 156                 | 7                  | 55                  | 34                | 30                | 87                                  | 38                | 1,100,755            |
| Honoraria                          | 801,815            |                    |                    |                     |                    |                     |                   | 600               |                                     |                   | 802,415              |
| Depreciation and amortization      | 190,542            | 143,735            | 93,039             | 112,338             | 5,041              | 39,246              | 24,628            | 21,531            | 62,938                              | 27,076            | 720,114              |
| Printing and photocopying          | 90,593             | 9,577              | 53,197             | 289,394             | 270                | 2,563               | 11,859            | 2,581             | 3,367                               | 1,449             | 464,850              |
| General and administrative         | 250,495            | 26,659             | 17,787             | 19,017              | 809                | 6,622               | 4,269             | 3,928             | 10,098                              | 4,344             | 344,028              |
| Postage and delivery               | 58,206             | 8,873              | 39,854             | 223,468             | 182                | 2,888               | 4,400             | 1,183             | 2,276                               | 979               | 342,309              |
| Telecommunications                 | 104,566            | 58,617             | 34,035             | 39,317              | 1,663              | 22,324              | 9,026             | 12,112            | 20,759                              | 8,931             | 311,350              |
| Dues, subscriptions, and fees      | 90,861             | 34,402             | 38,170             | 37,300              | 588                | 4,583               | 11,569            | 8,634             | 7,340                               | 3,158             | 236,605              |
| Office supplies                    | 129,718            | 25,086             | 20,452             | 16,343              | 589                | 9,139               | 6,032             | 7,701             | 7,358                               | 3,165             | 225,583              |
| Building maintenance               | 61,106             | 44,056             | 28,517             | 34,432              | 1,545              | 13,223              | 7,549             | 6,599             | 19,291                              | 8,299             | 224,617              |
| Interest                           | 58,927             | 44,451             | 28,773             | 34,741              | 1,559              | 12,137              | 7,616             | 6,659             | 19,464                              | 8,374             | 222,701              |
| Office rent                        | 38,993             | 29,414             | 19,039             | 22,989              | 1,032              | 48,393              | 5,040             | 4,406             | 12,880                              | 5,541             | 187,727              |
| Business and general insurance     | 49,390             | 37,257             | 24,116             | 29,119              | 1,307              | 10,173              | 6,384             | 5,581             | 16,314                              | 7,018             | 186,659              |
| Rental equipment and facilities    | 46,294             | 42,053             | 18,398             | 24,044              | 913                | 7,498               | 4,460             | 3,899             | 11,397                              | 4,903             | 163,859              |
| Utilities                          | 42,390             | 31,977             | 20,698             | 24,992              | 1,121              | 8,731               | 5,479             | 4,790             | 14,002                              | 6,024             | 160,204              |
| Taxes                              | 30,010             | 22,525             | 15,390             | 17,605              | 790                | 6,216               | 3,860             | 3,374             | 9,863                               | 4,243             | 113,876              |
| Insurance services                 |                    |                    | 91,155             |                     |                    |                     |                   |                   |                                     |                   | 91,155               |
| Other                              | 19,248             | 10,772             | 15,205             | 32,842              | 228                | 4,752               | 19,026            | 4,670             | 2,846                               | 1,224             | 110,813              |
| Total                              | <u>\$8,440,810</u> | <u>\$3,975,743</u> | <u>\$2,530,658</u> | <u>\$2,411,588</u>  | <u>\$1,978,621</u> | <u>\$1,157,534</u>  | <u>\$ 550,950</u> | <u>\$ 809,221</u> | <u>\$ 532,945</u>                   | <u>\$ 229,277</u> | <u>\$ 22,617,347</u> |

The accompanying notes are an integral part of these consolidated financial statements.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2016

|                                    | Program Services   |                    |                    |                     |                    | Supporting Services |                   |                   |                                     |                   |                      |
|------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|-------------------|-------------------|-------------------------------------|-------------------|----------------------|
|                                    | Prof.<br>Develop.  | Gov't<br>Relations | Member<br>Services | Communi-<br>cations | Regions            | Prof.<br>Assistance | Committees        | Governance        | Operating/<br>Financial<br>Services | Executive         | Total                |
| Personnel                          | \$2,337,324        | \$1,596,158        | \$1,285,659        | \$1,223,743         | \$ 18,018          | \$ 611,806          | \$ 88,273         | \$ 76,964         | \$ 224,972                          | \$ 96,784         | \$ 7,559,701         |
| Professional and contract services | 664,283            | 323,066            | 242,685            | 121,662             | 5,411              | 211,815             | 37,468            | 36,894            | 67,557                              | 29,063            | 1,739,904            |
| Business meetings and expenses     | 1,971,279          | 28,941             | 51,538             | 15,566              | 625                | 7,798               | 57,814            | 155,454           | 7,798                               | 3,355             | 2,300,168            |
| Rebates to regions                 |                    |                    |                    |                     | 1,797,348          |                     |                   | 91,661            |                                     |                   | 1,889,009            |
| Travel                             | 460,823            | 103,853            | 96,154             | 30,477              | 717                | 47,825              | 182,065           | 260,406           | 8,956                               | 3,853             | 1,195,129            |
| Political contributions            |                    | 689,154            |                    |                     |                    |                     |                   |                   |                                     |                   | 689,154              |
| Honoraria                          | 763,958            |                    | 6,133              |                     |                    |                     |                   |                   |                                     |                   | 770,091              |
| Depreciation and amortization      | 146,832            | 110,765            | 71,697             | 86,570              | 3,885              | 30,244              | 18,979            | 16,593            | 48,501                              | 20,866            | 554,932              |
| Printing and photocopying          | 80,121             | 6,017              | 45,004             | 262,452             | 162                | 2,837               | 8,230             | 2,275             | 2,026                               | 872               | 409,996              |
| General and administrative         | 548,109            | 25,844             | 14,992             | 15,517              | 696                | 5,608               | 5,292             | 3,250             | 8,694                               | 3,740             | 631,742              |
| Postage and delivery               | 48,688             | 12,763             | 37,385             | 224,250             | 177                | 2,922               | 2,805             | 1,991             | 2,207                               | 949               | 334,137              |
| Telecommunications                 | 78,364             | 42,179             | 24,403             | 25,540              | 1,094              | 18,452              | 6,019             | 7,976             | 13,659                              | 5,876             | 223,562              |
| Dues, subscriptions, and fees      | 42,727             | 25,594             | 13,885             | 24,285              | 356                | 3,231               | 11,194            | 6,767             | 4,440                               | 1,910             | 134,389              |
| Office supplies                    | 118,811            | 16,306             | 22,314             | 10,938              | 489                | 6,786               | 3,462             | 2,340             | 6,127                               | 2,636             | 190,209              |
| Building maintenance               | 61,349             | 43,663             | 28,263             | 34,126              | 1,531              | 13,107              | 7,482             | 6,616             | 19,119                              | 8,225             | 223,481              |
| Interest                           | 63,420             | 47,840             | 30,967             | 37,390              | 1,678              | 13,063              | 8,197             | 7,166             | 20,948                              | 9,012             | 239,681              |
| Office rent                        | 34,127             | 25,744             | 16,664             | 20,120              | 903                | 31,747              | 4,411             | 3,856             | 11,273                              | 4,850             | 153,695              |
| Business and general insurance     | 51,546             | 38,884             | 25,169             | 30,390              | 1,364              | 10,617              | 6,662             | 5,825             | 17,027                              | 7,324             | 194,808              |
| Rental equipment and facilities    | 73,569             | 74,940             | 31,475             | 41,553              | 1,656              | 13,285              | 8,093             | 7,076             | 20,682                              | 8,898             | 281,227              |
| Utilities                          | 39,083             | 29,482             | 19,084             | 23,042              | 1,034              | 8,050               | 5,052             | 4,416             | 12,910                              | 5,554             | 147,707              |
| Taxes                              | 30,070             | 22,570             | 15,420             | 17,640              | 792                | 6,527               | 3,942             | 3,381             | 9,883                               | 4,252             | 114,477              |
| Insurance services                 |                    |                    | 94,286             |                     |                    |                     |                   |                   |                                     |                   | 94,286               |
| Other                              | 19,564             | 5,544              | 13,465             | 27,300              | 174                | 3,573               | 17,501            | 6,103             | 2,169                               | 933               | 96,326               |
| Total                              | <u>\$7,634,047</u> | <u>\$3,269,307</u> | <u>\$2,186,642</u> | <u>\$2,272,561</u>  | <u>\$1,838,110</u> | <u>\$1,049,293</u>  | <u>\$ 482,941</u> | <u>\$ 707,010</u> | <u>\$ 508,948</u>                   | <u>\$ 218,952</u> | <u>\$ 20,167,811</u> |

The accompanying notes are an integral part of these consolidated financial statements.



# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2017 AND 2016

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                   |                     |                     |
| Increase (decrease) in members' equity                         | \$ (246,079)        | \$ 624,306          |
| Reconciliation to net cash provided by operating activities:   |                     |                     |
| Depreciation and amortization                                  | 720,114             | 554,932             |
| Receipt of equipment under <i>Partners for Purpose</i> program | (585,503)           | (629,316)           |
| Net (gain) loss on investments                                 | (140,003)           | 57,870              |
| Amortization of debt issuance costs                            | 8,094               | 4,369               |
| Non-cash change in postretirement health benefits              | (15,377)            | 24,281              |
| Changes in:  |                     |                     |
| Restricted cash - PACs   | 634,118             | (74,719)            |
| Receivables  | 61,412              | 38,307              |
| Prepaid expenses and other current assets                      | (68,514)            | (52,248)            |
| Accounts payable   | (308,687)           | 480,913             |
| Rebates payable to regions                                     | 29,531              | (30,259)            |
| Accrued vacation   | 44,445              | (27,314)            |
| Lease deposits   | 2,792               | 11,538              |
| Deferred revenues  | (45,309)            | 283,566             |
| Net cash provided by operating activities                      | <u>91,034</u>       | <u>1,266,226</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                   |                     |                     |
| Purchases of property and equipment                            | (236,027)           | (853,332)           |
| Purchase of investments  | (77,325)            | (82,562)            |
| Proceeds from sale of investments                              | 44,173              | 50,300              |
| Net cash used by investing activities                          | <u>(269,179)</u>    | <u>(885,594)</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                   |                     |                     |
| Principal payments of long-term obligations                    | (346,104)           | (325,399)           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>    | (524,249)           | 55,233              |
| <b>CASH AND CASH EQUIVALENTS, Beginning of year</b>            | <u>3,265,882</u>    | <u>3,210,649</u>    |
| <b>CASH AND CASH EQUIVALENTS, End of year</b>                  | <u>\$ 2,741,633</u> | <u>\$ 3,265,882</u> |
| <b>OTHER CASH FLOW INFORMATION:</b>                            |                     |                     |
| Interest paid  | <u>\$ 222,701</u>   | <u>\$ 239,681</u>   |

The accompanying notes are an integral part of these consolidated financial statements.

# **ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016**

---

### **1. ORGANIZATION**

Association of California School Administrators (ACSA) is a California nonprofit mutual benefit corporation. The mission of ACSA is to promote the advancement of education by helping members become more effective school administrators. Members consist primarily of management employees or administrators in California school districts. Members also include professors of education and employees of the California Department of Education or the Commission on Teacher Credentialing.

ACSA has several affiliated organizations that provide services on behalf of ACSA and its members. The affiliated organizations are described below:

Foundation for Educational Administration (FEA) is a California nonprofit public benefit corporation. FEA's purpose is to develop and improve educational administration, to engage in research in the field of educational administration, to assist qualified individuals in the study of educational administration, and to assist federal, state, and local agencies in training and research programs.

School Administrators Special Services (SASS) is a California nonprofit mutual benefit corporation which assists ACSA members in obtaining group insurance policies and special group services. SASS administers these programs and receives financial support from member service fees and administrative fees. Members of ACSA are also members of SASS, but SASS also has members from an unrelated entity.

SASS Benefit Services Corporation (SASS BSC) is a wholly-owned, for-profit subsidiary of ACSA established to manage benefit services. SASS BSC is largely inactive.

The Issues Political Action Committee (Issues PAC) is a voluntary, nonprofit, unincorporated committee that supports issues which improve student learning and that support school administration as a profession.

The Candidates Political Action Committee (Candidate PAC) is a voluntary, nonprofit, unincorporated committee that supports candidates consistent with the purpose of the Association.

National Association of School Superintendents (NASS) is a California nonprofit public benefit corporation. NASS's purpose is to provide the professional networking and skill development needed for Superintendents across the nation to become more effective leaders. NASS utilizes a number of ACSA resources as they build to a point of greater independence.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

---

### 2. SIGNIFICANT ACCOUNTING POLICIES

**Principles of consolidation** – ACSA and its affiliates listed above (collectively, the Association) have the same governing Boards of Directors and share common facilities and management. Accordingly, the accompanying financial statements are presented on a consolidated basis. Material transactions between entities have been eliminated in consolidation.

**Basis of accounting and financial statement presentation** – The consolidated financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities.

**Revenue recognition** – Membership fees are recognized as revenues in the membership period. Dues collected in advance of the membership period are recorded as deferred revenues until earned. Membership fees are recorded net of amounts collected and remitted to a national association with similar goals.

Revenues from educational activities, conferences, and other events are recognized when the events occur. Sponsorship revenues are recognized when the corresponding event occurs or service is provided. Advertising revenue is recognized during the period of publication. Subscription fees are recognized as revenues when the subscriptions are delivered. Fees collected in advance are recorded as deferred revenues until earned.

PAC contributions are recognized in the period received.

**Partners for Purpose program** – ACSA conducts a program entitled *Partners for Purpose* to provide its corporate vendors with opportunities to promote their services to members in exchange for cash, products or services, depending on the agreement. ACSA records these items at actual value (for cash payments) or at the estimated fair value of services or products received. Products with a useful life greater than one year are depreciated over the lesser of their estimated useful lives, or at the scheduled termination of the agreement if further use of the assets is contractually limited. Corresponding revenues associated with the program are recognized over the life of the agreement. For instances in which ACSA's obligations under an agreement spans multiple years, revenues are deferred until such obligations have been met.

**Cash and cash equivalents** – For financial statement purposes, the Association considers all investments with maturity at purchase of three months or less to be cash equivalents, unless held for long-term purposes.

**Investments** are stated at fair value.

**Property and equipment** are recorded at cost, or at fair value if donated, and are depreciated using the straight-line method over estimated useful lives of 45 years for buildings and 2 to 35 years for building improvements, office furniture, and equipment. The Association's policy is to capitalize such items with a cost of \$1,000 or more.

**Functional expenses** – Direct expenses are charged to related program and support service categories. Certain costs have been allocated among the programs and supporting services benefited.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

---

**Income taxes** – ACSA, FEA, SASS, Issues PAC, Candidate-PAC, and NASS are exempt from income taxes under Internal Revenue Code Sections 501(c)(6), 501(c)(3), 501(c)(9), 501(c)(6), 527, and 501(c)(6), respectively. They are, however, subject to income taxes from activities unrelated to their tax-exempt purpose.

The Association has applied the amended accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the consolidated financial statements.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates included in these consolidated financial statements are management’s estimate of the collectability of other accounts receivable, the fair value of services or products received under the *Partners for Purpose* program, the selection of useful lives of property and equipment and the functional allocation of expenses. Accordingly, actual results could differ from those estimates.

**Members’ equity** represents the net assets of the Association. Since the Association consists of nonprofit organizations and a wholly-owned, for-profit subsidiary, its net assets are not privately owned.

**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

|                |   |
|----------------|---|
| Level 1 Inputs | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. |
| Level 2 Inputs | Inputs other than quoted prices in active markets that are observable either directly or indirectly.                        |
| Level 3 Inputs | Unobservable inputs for the asset or liability.   |

**Subsequent events** have been reviewed through September 29, 2017, the date the consolidated financial statements were available to be issued.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

### 3. INVESTMENTS

Investments are classified within Level 1 of the fair value hierarchy because they are measured by pricing on publicly traded markets with reasonable levels of price transparency. Investments consist of the following:

|                                      | <u>2017</u>         | <u>2016</u>         |
|--------------------------------------|---------------------|---------------------|
| Cash and cash equivalents            | \$ 71,178           | \$ 87,554           |
| Exchange traded funds - equity       |                     |                     |
| Large blend                          | 287,320             | 248,060             |
| Mid-cap blend                        | 150,467             | 129,222             |
| Foreign large blend                  | 85,851              | 73,531              |
| Small blend                          | 68,990              | 58,881              |
| Small value                          | 36,353              | 30,376              |
| Multi-alternative                    | 30,586              |                     |
| Foreign large value                  | 22,381              | 19,339              |
| Exchange traded funds – fixed income |                     |                     |
| Intermediate-term bonds              | 90,954              | 92,826              |
| Short-term bonds                     | 58,690              | 59,579              |
| Mutual funds - equity                |                     |                     |
| Large blend                          | 160,703             | 137,102             |
| Foreign large blend                  | 159,702             | 128,240             |
| Foreign large growth                 | 46,905              |                     |
| Mid-cap blend                        | 34,936              | 28,105              |
| Small blend                          |                     | 41,183              |
| Mutual funds – fixed income          |                     |                     |
| Intermediate-term bonds              | 272,430             | 274,512             |
| High-yield bonds                     | <u>74,472</u>       | <u>70,253</u>       |
| Total                                | <u>\$ 1,651,918</u> | <u>\$ 1,478,763</u> |

Interest and investment income (loss) consist of the following:

|   | <u>2017</u>       | <u>2016</u>        |
|---|-------------------|--------------------|
| Interest and dividends                      | \$ 33,423         | \$ 34,185          |
| Net income (loss) on investments            | <u>140,003</u>    | <u>(57,870)</u>    |
| Total interest and investment income (loss) | <u>\$ 173,426</u> | <u>\$ (23,685)</u> |

Interest and investment income (loss) is shown net of investment fees of \$16,490 and \$15,577 in 2017 and 2016, respectively.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Buildings and improvements                     | \$ 11,070,631       | \$ 10,991,525       |
| Land   | 1,472,692           | 1,472,692           |
| Office furniture and equipment                 | 4,730,995           | 4,579,061           |
| Website  | 497,627             | 398,629             |
| Work in progress (AMS and other projects)      | <u>783,269</u>      | <u>291,775</u>      |
| Total  | 18,555,214          | 17,733,682          |
| Less accumulated depreciation and amortization | <u>(8,725,292)</u>  | <u>(8,005,176)</u>  |
| Property and equipment – net                   | <u>\$ 9,829,922</u> | <u>\$ 9,728,506</u> |

### 5. PROPERTY LEASED TO TENANTS

The Association leases office space to various tenants under multiple-year lease agreements. Some of the lease agreements call for periodic rent adjustments. Minimum future rental payments to be received under the non-cancelable leases are as follows:

#### Fiscal year ending June 30,

|       |                     |
|-------|---------------------|
| 2018  | \$ 547,199          |
| 2019  | 246,947             |
| 2020  | 183,895             |
| 2021  | 159,555             |
| 2022  | <u>90,754</u>       |
| Total | <u>\$ 1,228,350</u> |

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

### 6. LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

|   | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|
| Mortgage note payable, secured by commercial property,<br>payable in monthly installments of \$39,887, including fixed<br>interest at 4.75%, maturing July 2029 | \$ 4,375,489        | \$ 4,636,444        |
| Term loan, secured by equipment and accounts receivable,<br>payable in monthly installments including interest at 5.0%,<br>maturing July 2018                   | 88,701              | 173,850             |
| Postretirement health benefit obligations   | <u>87,818</u>       | <u>103,195</u>      |
| Subtotal  | 4,552,008           | 4,913,489           |
| Less unamortized debt issuance costs on mortgage note payable   | <u>(74,775)</u>     | <u>(82,869)</u>     |
| Total   | 4,477,233           | 4,830,620           |
| Less current portion  | <u>(390,243)</u>    | <u>(367,595)</u>    |
| Long-term obligations   | <u>\$ 4,086,990</u> | <u>\$ 4,463,025</u> |

Scheduled annual maturities of these obligations are as follows:

#### Fiscal year ending June 30,

|            |                     |
|------------|---------------------|
| 2018       | \$ 390,243          |
| 2019       | 315,502             |
| 2020       | 326,162             |
| 2021       | 329,916             |
| 2022       | 331,819             |
| Thereafter | <u>2,858,366</u>    |
| Total      | <u>\$ 4,552,008</u> |

The Association provides medical insurance benefits to qualifying retired employees. To qualify, employees must be age 55 or older and retire as an employee of the Association with ten years of continuous credited service.

Medical benefits cover the period from retirement until qualified retirees reach age 65, the age of eligibility for Medicare, or acquire health care coverage with another employer.

The liability recognized for such benefits is based on future estimated health insurance premiums, discounted to the present value, and accrued as employees accumulate the ten years of service leading up to age 55 for current employees and similarly for employees taking the early retirement option up to age 65. Medical insurance benefits are funded as benefits are paid.

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

---

### 7. OPERATING LEASE COMMITMENTS

The Association leases automobiles, computer equipment, and other equipment under non-cancelable operating leases. Total future minimum lease payments under these operating leases, including those signed after June 30, 2017, are as follows:

**Fiscal year ending June 30:**

|       |                   |
|-------|-------------------|
| 2018  | \$ 186,808        |
| 2019  | 218,439           |
| 2020  | 218,439           |
| 2021  | 132,539           |
| 2022  | <u>99,800</u>     |
| Total | <u>\$ 856,025</u> |

### 8. LINE OF CREDIT

The Association has a \$750,000 revolving line of credit with Bank of America expiring December 31, 2017, with an interest rate equal to the BBA LIBOR Daily Floating Rate plus 4.25%. There was no outstanding balance as of June 30, 2017 and 2016.

### 9. RETIREMENT PLAN

The Association has a defined contribution 401(k) plan covering substantially all employees. Total contributions by the Association for 2017 and 2016 were \$969,629 and \$867,729, respectively. Employer contributions vest after three years.

### 10. DESIGNATED CASH

The Association's Board of Directors has designated a portion of cash to support the following activities:

|                          | <b><u>2017</u></b>          | <b><u>2016</u></b> |
|--------------------------|-----------------------------|--------------------|
| Legal defense            | \$ 259,562                  | \$ 256,476         |
| AMS and website projects | <u>                    </u> | <u>532,451</u>     |
| Total                    | <u>\$ 259,562</u>           | <u>\$ 788,927</u>  |



# **ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016**

---

### **11. CONCENTRATIONS OF CREDIT RISK**

The Association maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. Management believes the Association is not exposed to any significant credit risk related to cash.

Investments are purchased through an investment advisor and are diversified to limit the concentration of credit risk. Investments are unsecured.

### **12. RELATED PARTY TRANSACTION**

The Association entered into a new principal residence relocation loan agreement with its Executive Director (Director) in August 2014. The Association agreed to loan the Director \$124,771 to assist him in the relocation of his new principal residence to the greater Sacramento area. Simple interest accrues at a variable per annum rate tied to the interest rate earned by the Association from the Association's main checking account and starting at one-half percent (0.5%). This loan is secured by the deed of trust to the property. The term of the loan is indefinite; however it becomes due in full if the Director sells the property or within 12 months after the Director's cessation of employment with the Association. As of June 30, 2017 and June 30, 2016, the unpaid balance of this loan totaled \$124,297 and \$124,921, respectively, and is included in accounts receivable on the consolidated statements of financial position.

## **SUPPLEMENTAL SCHEDULES**

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

| <b>ASSETS</b>                                | <b><u>ACSA</u></b>  | <b><u>FEA</u></b>   | <b><u>SASS</u></b>  | <b><u>BSC</u></b>    | <b><u>PACs</u></b> | <b><u>NASS</u></b> | <b><u>Consolidated</u></b> |
|--|---------------------|---------------------|---------------------|----------------------|--------------------|--------------------|----------------------------|
| <b>CURRENT ASSETS:</b>                       |                     |                     |                     |                      |                    |                    |                            |
| Cash and cash equivalents                    | \$ 1,215,624        | \$ 1,478,931        | \$ 7,620            |                      |                    | \$ 39,458          | \$ 2,741,633               |
| Restricted cash - PACs                       |                     |                     |                     |                      | \$ 529,969         |                    | 529,969                    |
| Member receivables                           | 648,383             |                     |                     |                      |                    |                    | 648,383                    |
| Other accounts receivable                    | 464,460             | 196,295             |                     |                      |                    |                    | 660,755                    |
| Prepaid expenses and other current assets    | <u>176,726</u>      | <u>63,057</u>       | <u>5,060</u>        | <u>          </u>    | <u>          </u>  | <u>11,250</u>      | <u>256,093</u>             |
| Total current assets                         | 2,505,193           | 1,738,283           | 12,680              |                      | 529,969            | 50,708             | 4,836,833                  |
| <b>INVESTMENTS</b>                           |                     |                     | 1,651,918           |                      |                    |                    | 1,651,918                  |
| <b>PROPERTY AND EQUIPMENT – Net</b>          | <u>9,829,922</u>    | <u>          </u>   | <u>          </u>   | <u>          </u>    | <u>          </u>  | <u>          </u>  | <u>9,829,922</u>           |
| <b>TOTAL ASSETS</b>                          | <u>\$12,335,115</u> | <u>\$ 1,738,283</u> | <u>\$ 1,664,598</u> | <u>\$           </u> | <u>\$ 529,969</u>  | <u>\$ 50,708</u>   | <u>\$16,318,673</u>        |
| <b>LIABILITIES AND MEMBERS' EQUITY</b>       |                     |                     |                     |                      |                    |                    |                            |
| <b>CURRENT LIABILITIES:</b>                  |                     |                     |                     |                      |                    |                    |                            |
| Accounts payable                             | \$ 767,634          | \$ 253,156          | \$ 3,192            |                      |                    |                    | \$ 1,023,982               |
| Rebates payable to regions                   | 114,574             |                     |                     |                      |                    |                    | 114,574                    |
| Current portion of long-term obligations     | 390,243             |                     |                     |                      |                    |                    | 390,243                    |
| Accrued vacation                             | 534,479             |                     |                     |                      |                    |                    | 534,479                    |
| Lease deposits                               | 50,167              | 6,000               |                     |                      |                    |                    | 56,167                     |
| Deferred registration and other fees         | 499,242             | 389,525             |                     |                      |                    |                    | 888,767                    |
| Deferred membership fees                     | <u>326,058</u>      | <u>          </u>   | <u>          </u>   | <u>          </u>    | <u>          </u>  | <u>          </u>  | <u>326,058</u>             |
| Total current liabilities                    | 2,682,397           | 648,681             | 3,192               |                      |                    |                    | 3,334,270                  |
| <b>LONG-TERM OBLIGATIONS</b>                 | <u>4,086,990</u>    | <u>          </u>   | <u>          </u>   | <u>          </u>    | <u>          </u>  | <u>          </u>  | <u>4,086,990</u>           |
| <b>TOTAL LIABILITIES</b>                     | 6,769,387           | 648,681             | 3,192               |                      |                    |                    | 7,421,260                  |
| <b>DUE TO (FROM) AFFILIATES</b>              | (11,345,167)        | 10,832,343          | 913,098             | \$ 21,842            | \$ (682,455)       | \$ 260,339         |                            |
| <b>MEMBERS' EQUITY – Unrestricted</b>        | <u>16,910,895</u>   | <u>(9,742,741)</u>  | <u>748,308</u>      | <u>(21,842)</u>      | <u>1,212,424</u>   | <u>(209,631)</u>   | <u>8,897,413</u>           |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <u>\$12,335,115</u> | <u>\$ 1,738,283</u> | <u>\$ 1,664,598</u> | <u>\$           </u> | <u>\$ 529,969</u>  | <u>\$ 50,708</u>   | <u>\$16,318,673</u>        |

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2016

| <b>ASSETS</b>                                | <b><u>ACSA</u></b>  | <b><u>FEA</u></b>   | <b><u>SASS</u></b>  | <b><u>BSC</u></b> | <b><u>PACs</u></b>  | <b><u>Consolidated</u></b> |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------------|
| <b>CURRENT ASSETS:</b>                       |                     |                     |                     |                   |                     |                            |
| Cash and cash equivalents                    | \$ 1,923,654        | \$ 1,339,370        | \$ 2,858            |                   |                     | \$ 3,265,882               |
| Restricted cash - PACs                       |                     |                     |                     |                   | \$ 1,164,087        | 1,164,087                  |
| Member receivables                           | 713,506             |                     |                     |                   |                     | 713,506                    |
| Other accounts receivable                    | 329,998             | 327,046             |                     |                   |                     | 657,044                    |
| Prepaid expenses and other current assets    | 114,682             | 72,897              |                     |                   |                     | 187,579                    |
| Total current assets                         | 3,081,840           | 1,739,313           | 2,858               |                   | 1,164,087           | 5,988,098                  |
| <b>INVESTMENTS</b>                           |                     |                     | 1,478,763           |                   |                     | 1,478,763                  |
| <b>PROPERTY AND EQUIPMENT – Net</b>          | 9,728,506           |                     |                     |                   |                     | 9,728,506                  |
| <b>TOTAL ASSETS</b>                          | <u>\$12,810,346</u> | <u>\$ 1,739,313</u> | <u>\$ 1,481,621</u> | <u>\$</u>         | <u>\$ 1,164,087</u> | <u>\$17,195,367</u>        |
| <b>LIABILITIES AND MEMBERS' EQUITY</b>       |                     |                     |                     |                   |                     |                            |
| <b>CURRENT LIABILITIES:</b>                  |                     |                     |                     |                   |                     |                            |
| Accounts payable                             | \$ 660,350          | \$ 669,273          | \$ 3,046            |                   |                     | \$ 1,332,669               |
| Rebates payable to regions                   | 85,043              |                     |                     |                   |                     | 85,043                     |
| Current portion of long-term obligations     | 367,595             |                     |                     |                   |                     | 367,595                    |
| Accrued vacation                             | 490,034             |                     |                     |                   |                     | 490,034                    |
| Lease deposits                               | 53,375              |                     |                     |                   |                     | 53,375                     |
| Deferred registration and other fees         | 464,649             | 408,799             |                     |                   |                     | 873,448                    |
| Deferred membership fees                     | 386,686             |                     |                     |                   |                     | 386,686                    |
| Total current liabilities                    | 2,507,732           | 1,078,072           | 3,046               |                   |                     | 3,588,850                  |
| <b>LONG-TERM OBLIGATIONS</b>                 | 4,463,025           |                     |                     |                   |                     | 4,463,025                  |
| <b>TOTAL LIABILITIES</b>                     | 6,970,757           | 1,078,072           | 3,046               |                   |                     | 8,051,875                  |
| <b>DUE TO (FROM) AFFILIATES</b>              | (10,366,029)        | 10,188,087          | 819,464             | \$ 21,017         | \$ (662,539)        |                            |
| <b>MEMBERS' EQUITY – Unrestricted</b>        | 16,205,618          | (9,526,846)         | 659,111             | (21,017)          | 1,826,626           | 9,143,492                  |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <u>\$12,810,346</u> | <u>\$ 1,739,313</u> | <u>\$ 1,481,621</u> | <u>\$</u>         | <u>\$ 1,164,087</u> | <u>\$17,195,367</u>        |

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

|  | <u>ACSA</u>          | <u>FEA</u>            | <u>SASS</u>       | <u>BSC</u>         | <u>PACs</u>         | <u>NASS</u>         | <u>Consolidated</u> |
|--|----------------------|-----------------------|-------------------|--------------------|---------------------|---------------------|---------------------|
| REVENUES:                              |                      |                       |                   |                    |                     |                     |                     |
| Membership fees                        | \$ 12,999,407        | \$ 121,282            |                   |                    |                     | \$ 39,606           | \$ 13,160,295       |
| Registration fees                      | 211,089              | 5,206,343             |                   |                    |                     | 22,223              | 5,439,655           |
| Sponsorships                           | 332,562              | 850,170               |                   |                    |                     | 15,483              | 1,198,215           |
| Rental income                          | 760,823              |                       |                   |                    |                     |                     | 760,823             |
| PAC contributions                      |                      |                       |                   |                    | \$ 744,523          |                     | 744,523             |
| Advertising income                     | 661,971              |                       |                   |                    |                     |                     | 661,971             |
| Interest and investment income         | 272                  |                       | \$ 173,154        |                    |                     |                     | 173,426             |
| Subscription fees                      | 6,295                | 107,840               |                   |                    |                     |                     | 114,135             |
| Legal support                          | 7,350                |                       |                   |                    |                     |                     | 7,350               |
| Other                                  | 59,857               | 39,753                | 11,184            |                    |                     | 81                  | 110,875             |
| Total revenues                         | <u>15,039,626</u>    | <u>6,325,388</u>      | <u>184,338</u>    |                    | <u>744,523</u>      | <u>77,393</u>       | <u>22,371,268</u>   |
| EXPENSES:                              |                      |                       |                   |                    |                     |                     |                     |
| Program services:                      |                      |                       |                   |                    |                     |                     |                     |
| Professional development               | 1,614,073            | 6,539,713             |                   |                    |                     | 287,024             | 8,440,810           |
| Governmental relations                 | 2,617,018            |                       |                   |                    | 1,358,725           |                     | 3,975,743           |
| Member services                        | 2,434,692            |                       | 95,141            | \$ 825             |                     |                     | 2,530,658           |
| Communications                         | 2,410,018            | 1,570                 |                   |                    |                     |                     | 2,411,588           |
| Regions                                | 1,978,621            |                       |                   |                    |                     |                     | 1,978,621           |
| Professional assistance                | 1,157,534            |                       |                   |                    |                     |                     | 1,157,534           |
| Committees                             | 550,950              |                       |                   |                    |                     |                     | 550,950             |
| Total program services                 | <u>12,762,906</u>    | <u>6,541,283</u>      | <u>95,141</u>     | <u>825</u>         | <u>1,358,725</u>    | <u>287,024</u>      | <u>21,045,904</u>   |
| Supporting services:                   |                      |                       |                   |                    |                     |                     |                     |
| Governance                             | 809,221              |                       |                   |                    |                     |                     | 809,221             |
| Operating/financial services           | 532,945              |                       |                   |                    |                     |                     | 532,945             |
| Executive                              | 229,277              |                       |                   |                    |                     |                     | 229,277             |
| Total supporting services              | <u>1,571,443</u>     |                       |                   |                    |                     |                     | <u>1,571,443</u>    |
| Total expenses                         | <u>14,334,349</u>    | <u>6,541,283</u>      | <u>95,141</u>     | <u>825</u>         | <u>1,358,725</u>    | <u>287,024</u>      | <u>22,617,347</u>   |
| INCREASE (DECREASE) IN MEMBERS' EQUITY | 705,277              | (215,895)             | 89,197            | (825)              | (614,202)           | (209,631)           | (246,079)           |
| MEMBERS' EQUITY, Beginning of Year     | <u>16,205,618</u>    | <u>(9,526,846)</u>    | <u>659,111</u>    | <u>(21,017)</u>    | <u>1,826,626</u>    |                     | <u>9,143,492</u>    |
| MEMBERS' EQUITY, End of Year           | <u>\$ 16,910,895</u> | <u>\$ (9,742,741)</u> | <u>\$ 748,308</u> | <u>\$ (21,842)</u> | <u>\$ 1,212,424</u> | <u>\$ (209,631)</u> | <u>\$ 8,897,413</u> |

# ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

|  | <u>ACSA</u>          | <u>FEA</u>            | <u>SASS</u>       | <u>BSC</u>         | <u>PACs</u>         | <u>Consolidated</u> |
|--|----------------------|-----------------------|-------------------|--------------------|---------------------|---------------------|
| REVENUES:                              |                      |                       |                   |                    |                     |                     |
| Membership fees                        | \$ 11,999,916        | \$ 120,582            |                   |                    |                     | \$ 12,120,498       |
| Registration fees                      | 178,715              | 4,996,996             |                   |                    |                     | 5,175,711           |
| Sponsorships                           | 295,507              | 869,119               |                   |                    |                     | 1,164,626           |
| Rental income                          | 586,372              |                       |                   |                    |                     | 586,372             |
| PAC contributions                      |                      |                       |                   |                    | \$ 789,278          | 789,278             |
| Advertising income                     | 698,779              | 90                    |                   |                    |                     | 698,869             |
| Interest and investment income (loss)  | 1,923                |                       | \$ (25,608)       |                    |                     | (23,685)            |
| Subscription fees                      | 6,055                | 105,000               |                   |                    |                     | 111,055             |
| Legal support                          | 83,843               |                       |                   |                    |                     | 83,843              |
| Other                                  | 61,391               | 9,893                 | 14,266            |                    |                     | 85,550              |
| Total revenues                         | <u>13,912,501</u>    | <u>6,101,680</u>      | <u>(11,342)</u>   |                    | <u>789,278</u>      | <u>20,792,117</u>   |
| EXPENSES:                              |                      |                       |                   |                    |                     |                     |
| Program services:                      |                      |                       |                   |                    |                     |                     |
| Professional development               | 1,541,974            | 6,092,073             |                   |                    |                     | 7,634,047           |
| Governmental relations                 | 2,555,218            |                       |                   |                    | 714,089             | 3,269,307           |
| Member services                        | 2,085,940            | 508                   | 99,369            | \$ 825             |                     | 2,186,642           |
| Communications                         | 2,270,668            | 1,893                 |                   |                    |                     | 2,272,561           |
| Regions                                | 1,838,110            |                       |                   |                    |                     | 1,838,110           |
| Professional assistance                | 1,049,293            |                       |                   |                    |                     | 1,049,293           |
| Committees                             | 482,941              |                       |                   |                    |                     | 482,941             |
| Total program services                 | <u>11,824,144</u>    | <u>6,094,474</u>      | <u>99,369</u>     | <u>825</u>         | <u>714,089</u>      | <u>18,732,901</u>   |
| Supporting services:                   |                      |                       |                   |                    |                     |                     |
| Governance                             | 707,010              |                       |                   |                    |                     | 707,010             |
| Operating/financial services           | 508,948              |                       |                   |                    |                     | 508,948             |
| Executive                              | 218,952              |                       |                   |                    |                     | 218,952             |
| Total supporting services              | <u>1,434,910</u>     |                       |                   |                    |                     | <u>1,434,910</u>    |
| Total expenses                         | <u>13,259,054</u>    | <u>6,094,474</u>      | <u>99,369</u>     | <u>825</u>         | <u>714,089</u>      | <u>20,167,811</u>   |
| INCREASE (DECREASE) IN MEMBERS' EQUITY | 653,447              | 7,206                 | (110,711)         | (825)              | 75,189              | 624,306             |
| MEMBERS' EQUITY, Beginning of Year     | <u>15,552,171</u>    | <u>(9,534,052)</u>    | <u>769,822</u>    | <u>(20,192)</u>    | <u>1,751,437</u>    | <u>8,519,186</u>    |
| MEMBERS' EQUITY, End of Year           | <u>\$ 16,205,618</u> | <u>\$ (9,526,846)</u> | <u>\$ 659,111</u> | <u>\$ (21,017)</u> | <u>\$ 1,826,626</u> | <u>\$ 9,143,492</u> |