

Financial Statements

**COUNCIL FOR ADVANCEMENT AND
SUPPORT OF EDUCATION –
DISTRICT VII**

June 30, 2017

Council for Advancement and Support of Education - District VII

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Independent Accountant's Review Report

To the Board of Trustees
Council for Advancement and Support of Education –
District VII

We have reviewed the accompanying financial statements of Council for Advancement and Support of Education - District VII (the Council), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Council's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility for the Financial Statements

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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September 29, 2017

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Council for Advancement and Support of Education - District VII

Statements of Financial Position

<i>June 30,</i>	2017	2016
Assets		
Cash and cash equivalents	\$ 120,786	\$ 88,960
Investments	598,920	535,502
Accounts receivable	2,539	3,949
Total assets	\$ 722,245	\$ 628,411
 Liabilities and Net Assets		
Liabilities		
Liabilities- accounts payable	\$ 12,248	\$ 15,331
Commitments and contingencies	-	-
Net assets - unrestricted	709,997	613,080
Total liabilities and net assets	\$ 722,245	\$ 628,411

See accompanying notes and independent accountant's review report.

Council for Advancement and Support of Education - District VII

Statements of Activities

<i>Year Ended June 30,</i>	2017	2016
Revenue		
Conference		
Registrations	\$ 312,362	\$ 14,505
Exhibits	51,000	-
Sponsorships	13,100	8,428
	376,462	22,933
Award entry fees	33,325	26,437
Total revenue	409,787	49,370
Expense		
Program services		
Conference	340,309	21,955
Awards and scholarships	6,303	8,813
Total program services	346,612	30,768
Supporting services		
Board	25,698	32,100
Management and general	5,365	3,573
Total supporting services	31,063	35,673
Total expense	377,675	66,441
Change in net assets before investment income (loss)	32,112	(17,071)
Investment income (loss)	64,805	(2,801)
Change in net assets	96,917	(19,872)
Net assets, beginning of year	613,080	632,952
Net assets, end of year	\$ 709,997	\$ 613,080

See accompanying notes and independent accountant's review report.

Council for Advancement and Support of Education - District VII

Statements of Cash Flows

<i>Year Ended June 30,</i>	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 96,917	\$ (19,872)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net (gain) loss on investments	(58,045)	12,733
Changes in assets and liabilities:		
Accounts receivable	1,410	(3,949)
Accounts payable	(3,083)	3,499
Total adjustments	(59,718)	12,283
Net cash flows from operating activities	37,199	(7,589)
Cash flows from investing activities		
Purchases of investments	(5,373)	(8,681)
Net cash flows from investing activities	(5,373)	(8,681)
Net change in cash and cash equivalents	31,826	(16,270)
Cash and cash equivalents, beginning of year	88,960	105,230
Cash and cash equivalents, end of year	\$ 120,786	\$ 88,960

See accompanying notes and independent accountant's review report.

Council for Advancement and Support of Education - District VII

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The purposes of the Council are to develop and foster sound relationships between member educational institutions and their constituencies; to provide training, programs, products, and services in the areas of alumni relations, communications, and philanthropy; and to provide a strong force for the advancement and support of education worldwide.

Income taxes: The Council is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (the Code). The Council qualifies for the charitable contribution deduction under Section 170(c)(2) and has been classified as an organization that is not a private foundation under Section 509 (a)(2) of the Code.

Basis of accounting: The Council prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when the obligation is incurred.

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. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents: For financial statement purposes, the Council considers all demand and money market accounts not held in investment accounts to be cash and cash equivalents.

Accounts receivable: Accounts receivable consist of trade receivables related to fees owed for conferences and other events. These receivables are recorded at face value, net of any applicable credits. Based on the number of months that payment is outstanding as well as management's knowledge and history with the customer, management assesses whether or not the receivable is collectible.

Subsequent events: Subsequent events have been evaluated through September 29, 2017, which is the date the financial statements were available to be issued.

B. CREDIT AND MARKET RISK

Credit risk: The Council maintains demand deposits and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portion of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Council.

Market risk: The Council invests funds in a professionally managed portfolio that contains mutual funds that invest in common shares of publicly traded companies, U.S. Government and municipal obligations, and corporate bonds. Investments are exposed to market and credit risks and may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Council for Advancement and Support of Education - District VII

Notes to the Financial Statements

C. INVESTMENTS

The Council has implemented the accounting standards topic regarding fair value measurements which establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. This standard uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments classified within Level 1 include fixed income and equity mutual funds, which were valued based on quoted prices for identical assets in active markets.

Cash and cash equivalents are recorded at cost and are not required to be classified in one of the levels prescribed by the fair value hierarchy.

The following is a summary of the input levels used to determine fair values at June 30,:

2017	Total	Level 1	Level 2	Level 3
Mutual funds - equity	\$ 411,517	\$ 411,517	\$ -	\$ -
Mutual funds - fixed income	185,479	185,479		
Investments carried at fair value	596,996	\$ 596,996	\$ -	\$ -
Cash and cash equivalents	1,924			
Total investments	\$ 598,920			

2016	Total	Level 1	Level 2	Level 3
Mutual funds - equity	\$ 343,768	\$ 343,768	\$ -	\$ -
Mutual funds - fixed income	180,392	180,392		
Investments carried at fair value	524,160	\$ 524,160	\$ -	\$ -
Cash and cash equivalents	11,342			
Total investments	\$ 535,502			

Council for Advancement and Support of Education - District VII

Notes to the Financial Statements

C. INVESTMENTS – CONTINUED

The following is a summary of investment income (loss) for the years ended June 30,:

	2017	2016
Net gain (loss) on investments	\$ 58,045	\$ (12,733)
Interest income	<u>6,760</u>	<u>9,932</u>
	<u>\$ 64,805</u>	<u>\$ (2,801)</u>

Investment management fees were \$1,388 and \$1,252 for the years ended June 30, 2017 and 2016, respectively.

D. RELATED PARTY TRANSACTIONS

Council for Advancement and Support of Education (CASE) was incorporated in 1974 under the nonprofit laws of the District of Columbia. The purposes of CASE are to develop and foster sound relationships between member educational institutions and their constituencies; to provide training, programs, products, and services in the areas of alumni relations, communications, and philanthropy; and to provide a strong force for the advancement and support of education worldwide.

CASE owed the Council \$2,539 and \$3,949 at June 30, 2017 and 2016, respectively. These amounts are included in accounts receivable in the statements of financial position.

E. COMMITMENTS AND CONTINGENCIES

The Council holds meetings at various hotels throughout the United States. These events are contracted with the hotels approximately two years in advance. In the event that the Council cancels its agreements with the hotels, it can be held liable for amounts up to the total room revenue, depending upon the date of cancellation.