

Financial Statements

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

June 30, 2019

Council for Advancement and Support of Education - District VII

Contents

<i>Independent Accountant's Review Report</i>	1 - 2
<i>Financial Statements</i>	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to the financial statements	6 - 10

T A T E



TRYON

A Professional Corporation

Certified Public

Accountants

and Consultants

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, 2019 and 2018, 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 review engagements 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.

.
2021 L STREET, NW

.
SUITE 400

.
WASHINGTON, DC

20036

.
TELEPHONE

202/293-2200

.
FACSIMILE

202/293-2208

.

Adoption of Accounting Standards Update 2016-14

As described in Note A to the financial statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). As required by the FASB, the Council adopted the provisions of ASU 2016-14 during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources and functional allocation of expenses. There was no change in the Council's previously reported change in net assets as a result of the adoption of the ASU. Our opinion is not modified with respect to this matter.



Washington, DC
December 13, 2019

Council for Advancement and Support of Education - District VII

Statements of Financial Position

<i>June 30,</i>	2019	2018
Assets		
Cash and cash equivalents	\$ 225,331	\$ 184,260
Investments	665,982	629,020
Accounts receivable	1,414	4,884
Prepaid Expenses	6,750	-
Total assets	\$ 899,477	\$ 818,164
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 18,098	\$ 33,640
Deferred revenue	4,070	8,210
Total liabilities	22,168	41,850
Net assets - without donor restrictions	877,309	776,314
Total liabilities and net assets	\$ 899,477	\$ 818,164

Council for Advancement and Support of Education - District VII

Statements of Activities

<i>Year Ended June 30,</i>	2019	2018
Revenue		
Conference		
Registrations	\$ 323,952	\$ 292,998
Exhibits	38,350	56,150
Sponsorships	45,775	46,000
	408,077	395,148
Award entry fees	32,675	26,537
Total revenue	440,752	421,685
Expense		
Program services		
Conference	321,695	338,661
Awards and scholarships	5,895	8,982
Total program services	327,590	347,643
Supporting services		
Board expenses	28,142	28,571
Management and general	20,987	10,408
Total supporting services	49,129	38,979
Total expense	376,719	386,622
Change in net assets before investment income	64,033	35,063
Investment income, net	36,962	31,254
Change in net assets	100,995	66,317
Net assets, beginning of year	776,314	709,997
Net assets, end of year	\$ 877,309	\$ 776,314

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>	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 100,995	\$ 66,317
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net gain on investments	(1,960)	(16,701)
Changes in assets and liabilities:		
Accounts receivable	3,470	(2,345)
Prepaid Expense	(6,750)	-
Accounts payable	(15,542)	28,392
Deferred revenue	(4,140)	1,210
Total adjustments	(24,922)	10,556
Net cash flows from operating activities	76,073	76,873
Cash flows from investing activities		
Purchases of investments	(48,144)	(13,399)
Proceeds from sale of investments	13,142	-
Net cash flows from investing activities	(35,002)	(13,399)
Net change in cash and cash equivalents	41,071	63,474
Cash and cash equivalents, beginning of year	184,260	120,786
Cash and cash equivalents, end of year	\$ 225,331	\$ 184,260

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.

Net assets without donor restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects such as by board designation. The Council's net assets without donor restrictions are available for the general operation of the Council.

Change in accounting standard: The Council adopted FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*, during the year ended June 30, 2019. ASU 2016-14 refreshes current accounting standards by simplifying the presentation of net assets on the face of the financial statements and enhancing disclosures related to liquidity and functional expense. Accounting and reporting changes related to ASU No. 2016-14 have been retrospectively applied to all prior periods presented as if the policy had always been in effect.

Subsequent events: Subsequent events have been evaluated through December 13, 2019, which is the date the financial statements were available to be issued.

Council for Advancement and Support of Education - District VII Notes to the Financial Statements

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.

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.

**Council for Advancement and Support of Education -
District VII
Notes to the Financial Statements**

C. INVESTMENTS - CONTINUED

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

2019	Total	Level 1	Level 2	Level 3
Mutual funds - equity	\$ 527,384	\$ 527,384	\$ -	\$ -
Mutual funds - fixed income	137,542	137,542		
Investments carried at fair value	664,926	\$ 664,926	\$ -	\$ -
Cash and cash equivalents	1,056			
Total investments	\$ 665,982			
2018	Total	Level 1	Level 2	Level 3
Mutual funds - equity	\$ 433,937	\$ 433,937	\$ -	\$ -
Mutual funds - fixed income	190,576	190,576		
Investments carried at fair value	624,513	\$ 624,513	\$ -	\$ -
Cash and cash equivalents	4,507			
Total investments	\$ 629,020			

D. LIQUIDITY

The Council's investment policy includes guidance related to managing liquidity and indicates that the Council's financial assets are available for general expenditures, liabilities, and other obligations that are due. In addition, The Council invests cash in excess of its current liquidity requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

The following provides a summary of financial assets available for general expenditures within one year at June 30,:

	2019	2018
Cash and cash equivalents	\$ 225,331	\$ 184,260
Investments	665,982	629,020
	\$ 891,313	\$ 813,280

E. 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 \$1,364 and \$6,884 at June 30, 2019 and 2018, respectively. The Council owed CASE \$10,500 and \$4,375 at June 30, 2019 and 2018, respectively. These amounts are included in accounts receivable and accounts payable, respectively, in the statements of financial position.

Council for Advancement and Support of Education - District VII Notes to the Financial Statements

F. COMMITMENTS AND CONTINGENCIES

Contracts: 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.

Governance transition: Beginning in 2017 CASE embarked on a journey to reimagine who CASE is as an organization and what CASE does. The strategic plan, *Reimagining CASE 2017-2021*, was the culmination of 12 months of work with over 2,500 CASE members contributing to the process and the outcomes. During that process, stakeholders underscored the need for a new governance structure that would align with and support a growing and increasingly global OneCASE. Stemming from this, the CASE Global Governance Leadership Structure design was developed and formally approved by the CASE Board of Trustees at their November 2018 meeting. The eight US/Canada District Boards, the CASE Asia-Pacific Board of Directors, and the CASE Europe Board of Trustees also unanimously approved the new OneCASE governance structure at their board meetings. In May 2019, the CASE membership voted to approve the new OneCASE structure. As part of the transition to OneCASE, all eight District Boards, CASE Asia Pacific Board and CASE Europe Board agreed to transfer their activities, assets and liabilities to CASE (United States). These transfers are anticipated to occur over the next year with full transition to OneCASE being completed by July 2020.

**Council for Advancement and Support of Education -
District VII
Notes to the Financial Statements**

G. FUNCTIONAL EXPENSES

Costs of the Council's programs and activities have been summarized on a functional basis in the statements of activities. Expenses by functional and natural classification were as follows for the years ended June 30, 2019 and 2018:

	2019 Program Services			2019 Supporting Services			2019	Total
	Conference	Awards and Scholarships	Total Program Services	Management and General	Board Expenses	Total Supporting Services		
Entertainment/ hospitality	\$ 200,609	\$ -	\$ 200,609	\$ -	\$ 7,261	\$ 7,261	\$	207,870
Information and technology	47,228	-	47,228	-	-	-		47,228
Awards/honoraria	26,681	5,632	32,313	-	25	25		32,338
Meetings/ travel	5,942	-	5,942	-	20,714	20,714		26,656
Special Events	25,503	-	25,503	-	-	-		25,503
Miscellaneous	11,245	45	11,290	10,502	142	10,644		21,934
Bank fees	1,787	-	1,787	10,485	-	10,485		12,272
Postage and shipping	2,700	218	2,918	-	-	-		2,918
	\$ 321,695	\$ 5,895	\$ 327,590	\$ 20,987	\$ 28,142	\$ 49,129	\$	376,719

	2018 Program Services			2018 Supporting Services			2018	Total
	Conference	Awards and Scholarships	Total Program Services	Management and General	Board Expenses	Total Supporting Services		
Entertainment/ hospitality	\$ 200,859	\$ -	\$ 200,859	\$ -	\$ 9,636	\$ 9,636	\$	210,495
Special events	50,687	-	50,687	-	-	-		50,687
Information and technology	42,691	-	42,691	-	-	-		42,691
Awards/honoraria	22,834	8,982	31,816	-	458	458		32,274
Meetings/ travel	9,437	-	9,437	-	18,717	18,717		28,154
Miscellaneous	5,641	-	5,641	5,708	(255)	5,453		11,094
Bank fees	4,886	-	4,886	4,700	-	4,700		9,586
Postage and shipping	1,626	-	1,626	-	15	15		1,641
	\$ 338,661	\$ 8,982	\$ 347,643	\$ 10,408	\$ 28,571	\$ 38,979	\$	386,622