

**ALASKA ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS**

Financial Statements

Year Ended
December 31, 2010

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ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

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Independent Accountant's Compilation Report

Board of Directors
Alaska Association of School
Business Officials

We have compiled the accompanying statement of financial position of Alaska Association of School Business Officials (ALASBO) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provided any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Mikunda, Cottrell & Co.

Anchorage Alaska
November 16, 2011

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Statement of Financial Position

December 31, 2010

(with comparative totals for 2009)

<u>Assets</u>	<u>2010</u>	(Restated) <u>2009</u>
Current assets:		
Cash	\$ 115,508	123,120
Accounts receivable	31,956	2,896
Total current assets	\$ <u>147,464</u>	<u>126,016</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable	35,030	56,875
Deferred membership dues	10,125	10,125
Total current liabilities	45,155	67,000
Net assets - unrestricted	<u>102,309</u>	<u>59,016</u>
Total liabilities and net assets	\$ <u>147,464</u>	<u>126,016</u>

See accompanying notes to financial statements and independent accountant's compilation report.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Statement of Activities

Year Ended December 31, 2010

(with comparative totals for 2009)

	Unrestricted	
		(Restated)
	<u>2010</u>	<u>2009</u>
Support and revenue:		
ALASBO conference and membership fees	\$ 98,863	94,770
Grant revenue	58,250	53,525
Procurement card revenue, net of reimbursements of \$59,468 for 2010 and \$21,877 for 2009	20,535	7,293
Vendor donations	17,660	30,670
Interest	151	536
Other	2,117	2,589
Total support and revenue	<u>197,576</u>	<u>189,383</u>
Expenses:		
Program services	115,832	142,146
Support services - management and general	38,451	42,754
Total expenses	<u>154,283</u>	<u>184,900</u>
Change in net assets	43,293	4,483
Beginning net assets	<u>59,016</u>	<u>54,533</u>
Ending net assets	\$ <u>102,309</u>	<u>59,016</u>

See accompanying notes to financial statements and independent accountant's compilation report.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Statement of Functional Expenses

Year Ended December 31, 2010

(with comparative totals for 2009)

	Program	Support Services - Management	Totals	
	<u>Services</u>	<u>and General</u>	<u>2010</u>	<u>2009</u>
Expenses:				
Conferences and travel	\$ 74,316	-	74,316	121,196
Contract services	-	34,496	34,496	39,969
Consulting	31,811	-	31,811	13,001
Scholarships and awards	5,807	-	5,807	3,828
Professional services	-	3,955	3,955	3,185
Dues and fees	3,430	-	3,430	3,390
Supplies	255	-	255	-
Postage and delivery	111	-	111	331
Other	<u>102</u>	<u>-</u>	<u>102</u>	<u>-</u>
Totals	\$ <u>115,832</u>	<u>38,451</u>	<u>154,283</u>	<u>184,900</u>

See accompanying notes to financial statements and independent accountant's compilation report.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Statement of Cash Flows
Year Ended December 31, 2010
(with comparative totals for 2009)

	<u>2010</u>	(Restated) <u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 43,293	4,483
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in current assets:		
Accounts receivable	(29,060)	(6,004)
Changes in current liabilities:		
Accounts payable	(21,845)	29,398
Deferred membership dues	-	12,008
Net cash provided by (used in) operating activities	<u>(7,612)</u>	<u>39,885</u>
Net increase (decrease) in cash	(7,612)	39,885
Beginning cash	<u>123,120</u>	<u>83,235</u>
Ending cash	\$ <u><u>115,508</u></u>	<u><u>123,120</u></u>

See accompanying notes to financial statements and independent accountant's compilation report.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Notes to Financial Statements

December 31, 2010

See Independent Accountant's Compilation Report

(1) **Description of Organization**

The Alaska Association of School Business Officials (ALASBO) was founded in 1974 and is an affiliate of the Association of School Business Officials International (ASBO). ALASBO's mission is to promote excellence in school business management through professional development and recognition, research and continuing education, publications, and cooperation with other members of the educational community. ALASBO's regular and associate members represent business officials of public school districts in the State of Alaska, Alaska Department of Education and Early Development, and the business community.

(2) **Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of the ALASBO have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification (ASC) Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, Alaska Association of School Business Officials is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash

Cash includes currency on hand, demand and time deposits with banks or financial institutions, and other amounts that have the general characteristics of demand deposits.

Public Support and Revenue Recognition

Contributions, including pledges, from the general public are recognized as public support when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Contributions that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted contributions based on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Notes to Financial Statements, continued

Summary of Significant Accounting Policies, continued

Public Support and Revenue Recognition, continued

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Bequests are recognized at the time an unassailable right to the gift has been established and proceeds are measurable.

Membership dues revenue is recognized in the period for which the dues are paid. Dues collected in advance are recorded as “deferred membership dues” on the accompanying statement of financial position.

Management Estimates and Assumptions

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Functional Expenses

Functional expenses are allocated to program services and support services based on direct identification of expenses. Substantially all of the management and general expenses of the Association are borne by its members and their employers, board of directors, and committee members, with the exception of an executive management contract and professional fees related to preparation of the annual financial statements and preparation of the IRS form 990.

Income Taxes

The Association is a tax-exempt corporation under Section 501(c) (6) of the Internal Revenue Code. Accordingly, no provision for federal income taxes is included in the financial statements.

ALASBO applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes. ALASBO annually reviews its tax return and positions taken in accordance with the recognition standards. ALASBO believes that it has no uncertain tax positions which would require disclosure or adjustments in these financial statements.

Fair Value Measurements

ALASBO measures certain items at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, that is, other than in a forced liquidation or distress sale.

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Notes to Financial Statements, continued

Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

ALASBO's financial assets and liabilities carried at fair value are classified based on a hierarchy as defined in generally accepted accounting principles and are generally measured using the market approach or the income approach.

Program Services

Program services are those activities conducted by the Association that are in direct support of the Association's mission as described in note 1.

Summarized Comparative Financial Information for 2009

The financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

Reclassifications

Certain 2009 amounts have been reclassified to conform to the 2010 presentation. These reclassifications had no effect on net assets or change in net assets.

Subsequent Events

ALASBO has evaluated subsequent events through November 16, 2011, the date on which the financial statements were issued.

(3) Cash

The Association maintains demand and time deposits at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

At December 31, 2010, cash consisted of the following:

	<u>Book Balance</u>	<u>Bank Balance</u>
Checking accounts	\$ 90,504	115,032
Certificates of deposit	<u>25,004</u>	<u>25,004</u>
Total cash	\$ <u>115,508</u>	<u>140,036</u>

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Notes to Financial Statements, continued

(4) **Accounts Receivable**

At December 31, 2010, accounts receivable consisted of the following:

Conference and membership fees	\$ 17,206
OASIS grant	<u>14,750</u>
	\$ <u>31,956</u>

(5) **Contingent Liability**

Amounts received or receivable from the State of Alaska are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Association.

(6) **Restatement**

The 2009 amounts have been restated to correct an error in accounting for certificates of deposit in the amount of \$24,326.