

**WESTERN ASSOCIATION OF COLLEGE
AND UNIVERSITY BUSINESS OFFICERS**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Western Association of College and University Business Officers
Washington, D.C.

We have audited the accompanying financial statements of Western Association of College and University Business Officers (WACUBO), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Board of Directors
Western Association of College and University Business Officers

Opinion

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of WACUBO as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2016 financial statements of WACUBO were audited by other auditors whose report, dated April 6, 2017, expressed an unmodified opinion on those financial statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
June 11, 2018

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS		
Cash	\$ 111,197	\$ 55,847
Accounts Receivable, Net	134,032	125,677
Prepaid Expenses	234,234	195,195
Investments	946,200	764,899
Total Assets	\$ 1,425,663	\$ 1,141,618
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 23,863	\$ 18,568
Deferred Revenue	291,530	209,838
Total Liabilities	315,393	228,406
NET ASSETS		
Unrestricted	1,110,270	913,212
Total Net Assets	1,110,270	913,212
Total Liabilities and Net Assets	\$ 1,425,663	\$ 1,141,618

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
REVENUE		
Conferences and Meetings	\$ 1,073,009	\$ 1,017,805
Sponsorships	378,445	365,525
Membership Dues	101,800	104,850
Investment Income	181,300	63,929
Total Revenue	<u>1,734,554</u>	<u>1,552,109</u>
EXPENSES		
Program Services:		
Annual Conference	879,669	994,444
Workshops	217,525	223,107
Business Management Institute	234,535	220,641
Other Program Expenses	-	204
Total Program Services	<u>1,331,729</u>	<u>1,438,396</u>
Supporting Service:		
Management and General	<u>205,767</u>	<u>223,977</u>
Total Expenses	<u>1,537,496</u>	<u>1,662,373</u>
CHANGE IN NET ASSETS	197,058	(110,264)
Net Assets - Beginning of Year	<u>913,212</u>	<u>1,023,476</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,110,270</u></u>	<u><u>\$ 913,212</u></u>

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 197,058	\$ (110,264)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Realized Loss on Investments	-	482
Unrealized Gains on Investments	(161,862)	(49,179)
Change in Assets and Liabilities:		
Accounts Receivable	(8,355)	(59,389)
Prepaid Expenses	(39,039)	(27,941)
Accounts Payable and Accrued Expenses	5,295	(97,678)
Deferred Revenue	81,692	75,558
Net Cash Provided by (Used in) by Operating Activities	74,789	(268,411)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(19,439)	(15,232)
Proceeds from Sales of Investments	-	300,000
Net Cash (Used in) Provided by Investing Activities	(19,439)	284,768
NET INCREASE IN CASH	55,350	16,357
Cash - Beginning of Year	55,847	39,490
CASH - END OF YEAR	\$ 111,197	\$ 55,847

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Western Association of College and University Business Officers (WACUBO) is a nonprofit membership organization incorporated in 1996 under the laws of the state of California.

WACUBO was established in 1937 with the purpose of offering business officers in the western region opportunities to develop professionally, to identify solutions for issues affecting higher education, and to share their expertise with their colleagues. WACUBO's primary goal is to provide quality professional development opportunities that are relevant and timely to its members.

WACUBO has a diverse membership of over 400 institutions and organizations. Membership includes institutions in 14 western U.S. states, three Canadian provinces, Mexico, and other Pacific Rim nations. These include public and private colleges, universities, other post-secondary institutions, and agencies and for-profit organizations affiliated with or serving higher education.

WACUBO is one of four regional associations affiliated with the National Association of College and University Business Officers (NACUBO).

WACUBO does not have employees. Board and committee members are primarily volunteers, although certain members receive minimal stipends.

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 can affect certain reported amounts and disclosures. Actual results could differ from estimates.

Accounts Receivable

Accounts receivable consist primarily of sponsorship and exhibitor fees due from the annual meeting. WACUBO uses the allowance method to record potentially uncollectible accounts receivable. The allowance recorded is \$1,500 and \$0 for the years ended December 31, 2017 and 2016, respectively.

Investments

Investments are composed of mutual funds and are recorded in the accompanying statements of financial position 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. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by comparison of fair value at the beginning and end of the reporting period.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

WACUBO follows Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for financial assets (and liabilities) measured at fair value on a recurring basis. The FASB ASC topic defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions, the standard established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, or unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under the standard are described as follows:

Level 1 – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of December 31, 2017 and 2016, only WACUBO's investments, as described in Note 3 of the financial statements, were measured at fair value on a recurring basis.

Revenue and Expense Recognition

Membership dues are recognized as revenue in the period to which the dues relate. Accordingly, dues paid by members in advance of their membership period are reported as deferred revenue in the accompanying statements of financial position. Membership dues run on a June 1st through May 31st membership year.

Revenue and the related costs of the annual conference and meeting workshops are recognized in the year in which the conference and workshops are held. Accordingly, related registration, exhibitor fees, and sponsorships received in advance of an event are recorded as deferred revenue in the accompanying statements of financial position. Expenses paid in advance of an event are recorded as prepaid expenses in the accompanying statements of financial position.

Allocation of Expenses

The costs of providing the various programs and activities have been summarized by function in the accompanying statements of activities. Most program-related expenses are directly charged to a program. Costs that are not directly charged to a program are captured in other program expenses as miscellaneous program operating costs.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

WACUBO is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required as of December 31, 2017 and 2016, as WACUBO had no net unrelated business income.

WACUBO's income tax return is subject to review and examination by Federal and state authorities. WACUBO is not aware of any activities that would jeopardize its tax-exempt status.

Subsequent Events

In preparing these financial statements, WACUBO has evaluated events and transactions for potential recognition or disclosure through June 11, 2018, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATIONS OF RISK

Credit Risk

Financial instruments, which subject WACUBO to a concentration of credit risk, consist of demand deposits placed with financial institutions. At certain times during the year WACUBO had funds invested with local institutions in excess of the Federal Deposit Insurance Corporation insurance limits.

Market Value Risk

WACUBO invests in diversified investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amount reported in the financial statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT

The following table summarizes investments measured at fair value on a recurring basis as of December 31:

	2017			
	Level 1	Level 2	Level 3	Total Fair Value
Equity Mutual Funds:				
Small Cap	\$ 220,852	\$ -	\$ -	\$ 220,852
Large Cap	162,735	-	-	162,735
Mid Cap	148,909	-	-	148,909
International Mutual Funds:				
Small/Medium Blend	88,707	-	-	88,707
Large Value	96,140	-	-	96,140
Large Growth	95,012	-	-	95,012
Fixed Income Mutual Fund	72,401	-	-	72,401
Emerging Market Funds	61,444	-	-	61,444
Total Investments	\$ 946,200	\$ -	\$ -	\$ 946,200
	2016			
	Level 1	Level 2	Level 3	Total Fair Value
Equity Mutual Funds:				
Small Cap	\$ 184,615	\$ -	\$ -	\$ 184,615
Large Cap	133,426	-	-	133,426
Mid Cap	124,753	-	-	124,753
International Mutual Funds:				
Small/Medium Blend	75,131	-	-	75,131
Large Value	66,367	-	-	66,367
Large Growth	63,925	-	-	63,925
Fixed Income Mutual Fund	69,914	-	-	69,914
Emerging Market Funds	46,768	-	-	46,768
Total Investments	\$ 764,899	\$ -	\$ -	\$ 764,899

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

WACUBO estimated fair value for these funds using quoted market prices in active markets.

Investment income, including interest earned on cash accounts, is as follows as of December 31:

	2017	2016
Interest and Dividends	\$ 19,438	\$ 15,232
Realized Loss	-	(482)
Unrealized Gains	161,862	49,179
Total Investment Income	\$ 181,300	\$ 63,929

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 4 COMMITMENTS

Contracts

WACUBO has entered into various agreements for hotel accommodations for future meetings and workshops. In the event that WACUBO were to cancel these agreements or fail to use a specified percentage of the total space reserved, WACUBO would be required to pay liquidated damages based upon the date the hotel was notified of the cancellation or reduction in requested rooms, as well as the hotel's ability to fill the resulting vacancies. WACUBO's management does not believe that any of these commitments will result in a loss due to liquidated damages. Accordingly, no amount for this potential liability has been reflected in the accompanying financial statements.

Effective January 1, 2014, WACUBO entered into a five-year association management agreement with NACUBO, WACUBO's national affiliate, for a variety of financial management, program registration and website and member communications support. The annual fee is \$50,800, payable in equal monthly installments of \$4,233. The annual fee remained the same through 2017 and will increase in an amount equal to the lesser of the consumer price index or 5% starting in 2018. Outstanding net receivable balance due from NACUBO as of December 31, 2017 and 2016 was \$109,747 and \$19,709, respectively, for amounts received by NACUBO and due to WACUBO, which is reflected in the statements of financial position.