

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

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2020 AND 2019**



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**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  
Seattle, WA

We have audited the accompanying financial statements of Western Association of College and University Business Officers (WACUBO), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities functional expenses and cash flows for the years 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of WACUBO as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
May 10, 2021

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash	\$ 138,961	\$ 393,403
Accounts Receivable, Net	10,738	11,948
Prepaid Expenses	189,683	275,368
Investments	1,181,585	947,529
Total Assets	\$ 1,520,967	\$ 1,628,248
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,495	\$ 19,602
Deferred Revenue	186,694	241,959
Total Liabilities	188,189	261,561
<b>NET ASSETS</b>		
Without Donor Restrictions	1,332,778	1,366,687
Total Net Assets	1,332,778	1,366,687
Total Liabilities and Net Assets	\$ 1,520,967	\$ 1,628,248

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>REVENUE</b>		
Conferences and Meetings	\$ 210,663	\$ 1,145,617
Sponsorships	26,390	303,725
Membership Dues	240,805	247,257
Investment Income, Net	234,056	192,059
Total Revenue	711,914	1,888,658
<b>EXPENSES</b>		
Program Services:		
Annual Conference	270,635	910,433
Workshops	111,578	188,282
Business Management Institute	124,937	276,845
Other Program Expenses	101,139	195,523
Total Program Services	608,289	1,571,082
Supporting Service:		
Management and General	137,534	95,705
Total Expenses	745,823	1,666,787
<b>CHANGE IN NET ASSETS</b>	(33,909)	221,871
Net Assets - Beginning of Year	1,366,687	1,144,816
<b>NET ASSETS - END OF YEAR</b>	\$ 1,332,778	\$ 1,366,687

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

2020

	Program Services						
	Annual Conference	Workshops	Business Management Institute	Other Program Expenses	Total Program Services	Management and General	Total Expenses
Meetings and Travel	\$ 56,104	\$ 28,835	\$ 659	\$ 82,390	\$ 167,988	\$ 90	\$ 168,078
Professional Fees	168,783	80,220	100,620	8,076	357,699	86,761	444,460
Audio Visual	7,542	1,413	20,884	9,041	38,880	-	38,880
Marketing and Printing	18,002	-	-	398	18,400	11	18,411
Credit Card and Bank Fees	1,421	-	-	-	1,421	29,015	30,436
Equipment Rental and Software	-	-	-	-	-	42	42
Supplies	8,292	220	-	-	8,512	159	8,671
Other	10,491	845	2,774	1,234	15,344	21,153	36,497
Postage and Delivery	-	45	-	-	45	303	348
Total Expenses	<u>\$ 270,635</u>	<u>\$ 111,578</u>	<u>\$ 124,937</u>	<u>\$ 101,139</u>	<u>\$ 608,289</u>	<u>\$ 137,534</u>	<u>\$ 745,823</u>

2019

	Program Services						
	Annual Conference	Workshops	Business Management Institute	Other Program Expenses	Total Program Services	Management and General	Total Expenses
Meetings and Travel	\$ 475,565	\$ 127,969	\$ 134,317	\$ 143,084	\$ 880,935	\$ 10,078	\$ 891,013
Professional Fees	172,819	40,303	134,422	23,085	370,628	74,368	444,996
Audio Visual	-	-	-	79	79	-	79
Marketing and Printing	75,314	405	843	1,448	78,010	1,711	79,721
Credit Card and Bank Fees	7,051	-	-	4,543	11,594	112	11,706
Equipment Rental and Software	130,983	18,620	-	16,292	165,895	4,037	169,932
Supplies	30,937	872	5,728	1,356	38,893	159	39,052
Other	17,764	113	1,013	5,358	24,248	5,240	29,488
Postage and Delivery	-	-	522	278	800	-	800
Total Expenses	<u>\$ 910,433</u>	<u>\$ 188,282</u>	<u>\$ 276,845</u>	<u>\$ 195,523</u>	<u>\$ 1,571,082</u>	<u>\$ 95,705</u>	<u>\$ 1,666,787</u>

See accompanying Notes to Financial Statements.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (33,909)	\$ 221,871
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Unrealized Gain on Investments	(214,787)	(174,317)
Change in Assets and Liabilities:		
Accounts Receivable, Net	1,210	(2,835)
Prepaid Expenses	85,685	(72,928)
Accounts Payable and Accrued Expenses	(18,107)	(2,473)
Deferred Revenue	(55,265)	9,725
Net Cash Used by Operating Activities	(235,173)	(20,957)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(40,886)	(159,242)
Proceeds from Sales of Investments	21,617	141,500
Net Cash Used by Investing Activities	(19,269)	(17,742)
<b>NET CHANGE IN CASH</b>	(254,442)	(38,699)
Cash - Beginning of Year	393,403	432,102
<b>CASH - END OF YEAR</b>	\$ 138,961	\$ 393,403

See accompanying Notes to Financial Statements.



**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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.

**Basis of Accounting**

The accounts of WACUBO are maintained on the accrual basis of accounting.

**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 \$10,990 and \$7,095 for the years ended December 31, 2020 and 2019, 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, 2020 AND 2019**

**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.

WACUBO's investments, as described in Note 3 of the financial statements, are measured at fair value on a recurring basis.

**Net Assets Without Donor Restrictions**

Represents net assets not subject to donor restrictions available for general operations.

**Revenue and Expense Recognition**

Membership dues run on a June 1<sup>st</sup> through May 31<sup>st</sup> membership year. There are no distinct performance obligations and the general member benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Accordingly, membership dues are recognized ratably over the period of membership. Dues paid by members in advance of their membership period are reported as deferred revenue in the accompanying statements of financial position.

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. The related revenue, including sponsorships, is considered an exchange transaction. Expenses paid in advance of an event are recorded as prepaid expenses in the accompanying statements of financial position.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The majority of expenses are directly identified with a program activity or program service. However, the management fee is attributable to all functions and is allocated based on estimated time and effort spent for each function.

**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, 2020 and 2019, 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.

**Liquidity**

As part of WACUBO's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

WACUBO's financial assets available within one year of the statement of financial position date for general expenditures were as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 138,961	\$ 393,403
Accounts Receivable, Net	10,738	11,948
Investments	1,181,585	947,529
Total	<u>\$ 1,331,284</u>	<u>\$ 1,352,880</u>

**Subsequent Events**

In preparing these financial statements, WACUBO has evaluated events and transactions for potential recognition or disclosure through May 10, 2021, the date the financial statements were available to be issued.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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.

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT**

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

	2020			Total Fair Value
	Level 1	Level 2	Level 3	
Equity Mutual Funds:				
Small Cap	\$ 255,928	\$ -	\$ -	\$ 255,928
Mid Cap	190,300	-	-	190,300
Large Cap	247,999	-	-	247,999
International Mutual Funds:				
Large Value	95,900	-	-	95,900
Large Growth	251,945	-	-	251,945
Fixed Income Mutual Fund	81,172	-	-	81,172
Emerging Market Funds	58,341	-	-	58,341
Total Investments	<u>\$ 1,181,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,181,585</u>
	2019			Total Fair Value
	Level 1	Level 2	Level 3	
Equity Mutual Funds:				
Small Cap	\$ 216,093	\$ -	\$ -	\$ 216,093
Mid Cap	159,746	-	-	159,746
Large Cap	179,466	-	-	179,466
International Mutual Funds:				
Large Value	87,993	-	-	87,993
Large Growth	157,717	-	-	157,717
Fixed Income Mutual Fund	95,888	-	-	95,888
Emerging Market Funds	50,626	-	-	50,626
Total Investments	<u>\$ 947,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947,529</u>

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)**

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

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

	2020	2019
Interest and Dividends	\$ 19,269	\$ 17,742
Unrealized Gain	214,787	174,317
Total Investment Income, Net	\$ 234,056	\$ 192,059

**NOTE 4 COMMITMENTS AND CONTINGENCIES**

**Hotel Contracts**

WACUBO has entered into various agreements for hotel accommodations for future meetings and workshops scheduled to be held in 2021 through 2026. In the event of cancellation or failure to use a specified percentage of the total space reserved, WACUBO may be liable for certain amounts. As of December 31, 2020, the maximum liquidated damages under these agreements totaled approximately \$1,544,000.

**Management Services**

Through December 31, 2019, WACUBO had an association management agreement with NACUBO, WACUBO's national affiliate, for a variety of financial management, program registration and website and member communications support. During 2019, the annual fee for this agreement was \$76,000 payable in equal monthly installments of \$6,367. During 2020, WACUBO paid approximately \$10,500 to NACUBO during the transition to a new management service provider. NACUBO continues to service membership dues processing on behalf of WACUBO. As of December 31, 2020 and 2019, WACUBO had a net receivable balance due from NACUBO in the amount of \$0 and \$1,270, respectively.

On July 2, 2019, WACUBO entered into a two-year agreement for management services with SBI Association Management (SBI). The agreement commenced on September 1, 2019 and can be renewed if agreed upon by both parties. The monthly retainer for 2019 was \$19,750, increasing to \$22,250, beginning in January 2020. Either party may terminate this agreement without cause by giving the other party one hundred eighty (180) days written notice, which is the equivalent of \$133,500.

**WESTERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**COVID-19**

In March 2020, the World Health Organization declared the spread of coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to WACUBO, COVID-19 may impact various parts of its FY2021 operations and financial results, including, but not limited to, loss of revenue due to cancellation of certain events and activities, and other reductions in certain revenue streams. Management believes WACUBO is taking appropriate actions to mitigate the negative impact, including cost reductions and moving to virtual events. As of May 10, 2021, the amount and likelihood of any loss relating to these events is not determined and cannot be reasonably estimated as these events are still developing.