

**MICHIGAN ASSOCIATION OF ADMINISTRATORS  
OF SPECIAL EDUCATION**

**REVIEWED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2016 AND 2015**

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Michigan Association of Administrators of Special Education

We have reviewed the accompanying financial statements of Michigan Association of Administrators of Special Education (a nonprofit organization) which comprise the statements of financial position as of June 30, 2016 and 2015, 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 Association 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 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.

### **Accountant's Responsibility**

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 AICPA. 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.

*Manes Costeiran PC*

January 25, 2017

**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2016 AND 2015**

<b>ASSETS</b>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 190,353	\$ 169,496
Certificates of deposit	135,973	133,933
Accounts receivable, net of an allowance	4,665	4,880
Prepaid expenses	<u>18,190</u>	<u>6,955</u>
<b>TOTAL CURRENT ASSETS</b>	349,181	315,264
<b>PROPERTY AND EQUIPMENT, net</b>		
of accumulated depreciation and amortization	<u>250</u>	<u>750</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 349,431</u></u>	<u><u>\$ 316,014</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 2,157	\$ -
Deferred revenue	<u>13,265</u>	<u>34,565</u>
<b>TOTAL LIABILITIES</b>	15,422	34,565
<b>NET ASSETS - UNRESTRICTED</b>	<u>334,009</u>	<u>281,449</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 349,431</u></u>	<u><u>\$ 316,014</u></u>

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

**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
REVENUE:		
Registration	\$ 373,060	\$ 386,837
Dues	38,080	38,770
Public support	27,374	24,570
Miscellaneous	6,170	2,072
CEC dues	865	1,030
Investment income	2,060	1,409
TOTAL REVENUE	447,609	454,688
EXPENSES:		
Luncheons	277,780	302,326
Speaker fees and expenses	25,912	21,171
Summer institute entertainment/gifts	1,000	1,765
Executive board meetings	13,360	702
Printing	2,978	14,581
Committee expenses	6,181	6,355
Travel	-	396
Dues	5,240	5,395
Bank service charges	3,819	6,038
Professional fees	55,325	53,052
Computer supplies	296	2,714
Awards and gifts	1,075	1,495
Telephone	-	53
Insurance	1,574	1,635
Depreciation and amortization	500	729
Postage	9	81
Bad debt	-	3,946
TOTAL EXPENSES	395,049	422,434
CHANGE IN NET ASSETS	52,560	32,254
NET ASSETS, beginning of year	281,449	249,195
NET ASSETS, end of year	\$ 334,009	\$ 281,449

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

**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		
Cash flows from operating activities:		
Change in net assets	\$ 52,560	\$ 32,254
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	500	729
Bad debt expense	-	3,946
Accounts receivable	215	1,240
Prepaid expenses	(11,235)	2,352
Accounts payable	2,157	(3,978)
Deferred revenue	(21,300)	(18,288)
Total adjustments	(29,663)	(13,999)
Net cash provided by operating activities	22,897	18,255
Cash flows from investing activities:		
Purchases from investments - net	(2,040)	(1,399)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,857</b>	<b>16,856</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	169,496	152,640
End of year	<b>\$ 190,353</b>	<b>\$ 169,496</b>

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

**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting - Michigan Association of Administrators of Special Education (“the Association”) utilizes the accrual basis of accounting.

Cash and cash equivalents - For purposes of the statements of cash flows, the Association considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Certificates of deposit - Certificates of deposit are carried at cost, which approximates fair value.

Accounts receivable - Accounts receivable are reported at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has estimated an allowance to \$1,660 for the fiscal years ending June 30, 2016 and 2015.

Property and equipment - Property and equipment are recorded at cost. Purchases that exceed \$1,000 are capitalized. Depreciation is computed over the estimated useful lives on the straight line method.

Deferred revenue - Deferred revenue consists of amounts received by the Association that will be earned in future periods and primarily consists of summer institute sponsorships and registrations.

Seminars, conferences, programs and luncheon meetings - Revenues and expenses relating to seminars, conferences, programs and luncheon meetings are recognized in the fiscal year in which the event occurs.

Advertising - Advertising costs are expensed as incurred.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in Note 5.

Financial statement presentation - The Association is required to report information regarding its financial position and activities accordingly to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association has no temporarily or permanently restricted activities or net assets.



**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES**

Michigan Association of Administrators of Special Education is a statewide professional educational organization affiliated with the National Council of Administrators of Special Education and the Council for Exceptional Children. Members of the Association are dedicated to the enhancement of the worth, dignity, potential and uniqueness of each individual in society. The primary purpose of the Association is to provide leadership for the development and implementation of quality programs and services for students with disabilities within the total education community.

The Association is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents, certificates of deposits.

The Association places its cash and cash equivalents and certificates of deposit with FDIC insured financial institutions. Although such cash balances exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Association evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through January 25, 2017, which is the date the financial statements were available to be issued.

**NOTE 3 - INCOME TAX STATUS**

The Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. It does not receive any unrelated business income and is therefore not subject to taxes on any of its income.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

**MICHIGAN ASSOCIATION OF ADMINISTRATORS OF SPECIAL EDUCATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30 consist of the following:

	Estimated useful lives	2016	2015
Office furniture, equipment and software	3 - 5	\$ 8,836	8,836
Less accumulated depreciation and amortization		(8,586)	(8,086)
Furniture and equipment - net		<u>\$ 250</u>	<u>\$ 750</u>
Depreciation and amortization expense		<u>\$ 500</u>	<u>\$ 729</u>

**NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES**

The functional allocation of the Association expenses as they related to programs and management and general functions are listed below. The following includes the allocation of both direct and indirect expenses by function.

	2016	2015
Management and general	\$ 47,734	\$ 52,824
Program expenses:		
Professional learning	168,032	145,977
Summer Institute	157,717	173,123
Winter Institute	-	26,426
SLIP Winter Conference	10,557	13,075
CASE	11,009	11,009
Total	<u>\$ 395,049</u>	<u>\$ 422,434</u>