



NASACT Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2007



A publication of The National Association of State Auditors, Comptrollers and Treasurers

NASACT Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2007



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National Association of State Auditors, Comptrollers and Treasurers

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

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Introductory Section



National Association of State Auditors, Comptrollers and Treasurers

October 9, 2007

EXECUTIVE COMMITTEE OFFICERS

President
VERN L. LARSON
State Treasurer
South Dakota

First Vice President
THOMAS H. McTAVISH
Auditor General
Michigan

Second Vice President
GLEN B. GAINER, III
State Auditor
West Virginia

Secretary
NANCY K. KOPP
State Treasurer
Maryland

Treasurer
BARBARA J. HINTON
Legislative Post Auditor
Kansas

EXECUTIVE DIRECTOR

R. KINNEY POYNTER
Lexington, Kentucky

CONTACT INFORMATION

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To the Executive Committee and Members of the National Association of State Auditors, Comptrollers and Treasurers:

I am pleased to submit the Comprehensive Annual Financial Report of the National Association of State Auditors, Comptrollers and Treasurers for the fiscal year ended June 30, 2007. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Association. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the Association. All disclosures necessary to enable the reader to gain an understanding of the Association's financial activities have been included.

Management of the Association is responsible for establishing and maintaining internal control designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

Article VI of NASACT's *Constitution and Bylaws* requires that an annual audit be conducted of the Association's financial statements. NASACT's Audit Committee appointed a team of three auditors who conducted the audit of the fiscal year 2007 financial statements in September 2007. The independent auditor's report is at the beginning of the financial section of this report.

The Comprehensive Annual Financial Report is presented in three sections, the introductory section, the financial section and the statistical section. The introductory section includes this transmittal letter, a list of the Association's officers and Executive Committee for 2006-2007 and a list of staff in the Lexington and Washington offices at October 9, 2007. The financial section includes the auditor's report, management's discussion and analysis, the basic financial statements, notes to the financial statements and required supplementary information (the Budgetary Comparison Schedule). The statistical section contains trend information about NASACT's financial position, revenues and debt as well as demographic and operating information.

Profile of NASACT

NASACT was founded in 1915 to allow principal state officials concerned with state financial management to gather annually to discuss issues of mutual interest. Over the years, as state financial management became increasingly complex, NASACT expanded its services and offerings to members. With the establishment of the Governmental Accounting Standards Board in 1984 came the need for technical services as well, as members became involved in the process of setting accounting and financial reporting standards.

Now the Association engages in a wide variety of activities to enhance the professionalism of its members and to foster accountability, efficiency and effectiveness in state government. Among these activities are the following:

- Organize conferences and audio conferences.
- Offer training seminars on a variety of finance-related topics and schedule them at the convenience of members' offices.
- Publish a monthly newsletter and a weekly Washington Update while Congress is in session.
- Communicate regularly with standards-setting bodies regarding matters related to governmental accounting, financial reporting, and auditing.
- Serve as an advocate for states' interests in the nation's capital.
- Conduct research on a variety of topics of interest to the members.
- Work cooperatively with peer organizations of state government officials on topics and projects of mutual interest.

Major Projects and Initiatives

Fiscal year 2007 has been an active year for NASACT and its members. Listed below are some of the activities we have focused on during the year:

- **Conferences and Training Opportunities:** NASACT planned several conferences, including the annual conference, a highlight each year for members, and the training directors' forum. Our training seminars program has also provided customized training sessions to meet the particular needs of employees in NASACT's member offices.
- **Audio Conferences:** NASACT's quarterly audio conferences have provided low-cost training on a range of timely topics. By working with partner organizations, NASACT has been able to offer three audio conferences during the past year and will continue to offer training to members through this method.
- **Secretariat Support:** Through its two secretariats, the National Association of State Comptrollers and the National State Auditors Association, NASACT has provided technical support, conferences and training to members. NASC and NSAA address the specific needs of two of NASACT's constituent groups, while NASACT effectively provides a common ground for examining issues in relation to the bigger picture for state government finance officials.
- **Benchmarking Project:** NASACT has continued a benchmarking project that involves the gathering of performance metrics related to business processes in the areas of financial management, human resources/payroll, procurement, and information technology. During this fiscal year, seven states contracted with NASACT for benchmarking or related services.
- **GASB Funding and Related Issues:** NASACT has continued to work with its industry partners, the Government Finance Officers Association and the National Association of State Treasurers, to address funding issues of the Governmental Accounting Standards Board. An independent standards setting body is critical for state government, and NASACT continues to support the GASB and its work. Additionally, NASACT has partnered with various peer organizations to play an active role in monitoring the U.S. Securities and Exchange Commission's attempts to facilitate changes in the municipal bond market, changes that have the potential to affect the structure and funding of the GASB, the government standards-setting arena, and state government financial management.
- **Standards Setting:** Standards setting bodies have been busy during the past year, and NASACT has also been busy examining and responding to proposed standards and due process documents from the GASB, the American Institute of Certified Public Accountants, the U.S. Government Accountability Office, and others. Our participation in the process helps

ensure that proposed standards are carefully considered prior to implementation and that standards appropriately focus on the problems they are meant to address.

- **Representation in Washington:** Through its Washington office, NASACT has monitored federal legislation and provided input on a number of topics with the potential to impact NASACT members. Just a few examples include efforts to repeal federal three percent tax withholding legislation, to obtain guidance from the federal government on investments with companies that may have ties to terrorism, and to streamline and simplify grants-related systems and processes.
- **Administrative Contracts:** NASACT has continued to provide administrative management for the National Electronic Commerce Coordinating Council and the Association of Local Government Auditors, leveraging common interests and common goals to effect change on a larger scale.

The preparation of this report was made possible by the dedicated support of NASACT's finance manager and input and collaboration by the entire NASACT staff. Questions about this report may be directed to NASACT's headquarters office.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kinney Poynter". The signature is written in a cursive, flowing style.

R. Kinney Poynter
Executive Director

NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS AND TREASURERS

EXECUTIVE COMMITTEE 2006-2007

OFFICERS

President

Jan I. Sylvis
Chief of Accounts
Tennessee

First Vice President

Vern L. Larson
State Treasurer
South Dakota

Second Vice President

Thomas H. McTavish
Auditor General
Michigan

Treasurer

Nancy K. Kopp
State Treasurer
Maryland

Secretary

Glen B. Gainer, III
State Auditor
West Virginia

Immediate Past President

R. Thomas Wagner, Jr.
Auditor of Accounts
Delaware

OTHER MEMBERS

Ernest A. Almonte
Auditor General
Rhode Island

Paul Carlson
State Accounting Administrator
Nebraska

W. Daniel Ebersole
Director, Office of Treasury and
Fiscal Services, Georgia

Michael L. Fitzgerald
State Treasurer
Iowa

Kim Garner
Director, Division of Finance
Alaska

Russell W. Hinton
State Auditor
Georgia

Calvin McKelvogue
Chief Operating Officer, Department of
Administrative Services, Iowa

Bruce A. Myers
Legislative Auditor
Maryland

Dale Sims
State Treasurer
Tennessee

NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS AND TREASURERS

STAFF

(October 9, 2007)

In Lexington

R. Kinney Poynter, CPA, Executive Director

Patsy R. Hackney, Administrative Assistant

Glenda Johnson, Communications Manager

David Keller, IT / Web Manager

Fay Kurkijy, Peer Review Coordinator

Donna Maloy, CMP, Conference Manager

Patricia A. O'Connor, CPA, NASC Association Director

Kimberly O'Ryan, CPA, Finance Manager

Sherri L. Rowland, CPA, NSAA Association Director

Amanda Welsh, Student Intern

In Washington

Cornelia Chebinou, J.D., Washington Office Director

Tanya Grayson, Administrative Assistant

Neal Hutchko, Policy Analyst

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Financial Section



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0264
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Independent Auditor's Report

September 14, 2007

The Executive Committee and Members
And
R. Kinney Poynter, Executive Director
National Association of State Auditors, Comptrollers, and Treasurers
449 Lewis Hargett Circle
Suite 290
Lexington, KY 40503

Ladies and Gentlemen:

We have audited the accompanying financial statements of the business-type activities of the National Association of State Auditors, Comptrollers, and Treasurers (the Association) as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Association's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Executive Committee and Members
September 14, 2007
Page Two

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Association, as of June 30, 2007, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2007, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sincerely,



Donna Jewell, CPA, CFE
2007 NASACT Audit Team Leader

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion about the financial performance of the National Association of State Auditors, Comptrollers and Treasurers provides a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007. Readers are encouraged to consider this narrative in conjunction with the information that is furnished in the letter of transmittal, which can be found preceding this analysis, and with the financial statements that follow.

Activities that are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services are required to report as business-type activities. Since NASACT's activities are expected to recover their costs, the Association reports as a business-type activity.

HIGHLIGHTS

Net Assets

The assets of NASACT exceeded liabilities at fiscal year end by \$1,670,318 (presented as Total net assets). Of this amount, \$1,072,087 was reported as "Unrestricted." This compares to the previous year when net assets exceeded liabilities by \$1,308,650 and unrestricted net assets were \$679,187. Unrestricted net assets represent the amount available to meet ongoing obligations.

Change in Net Assets

NASACT's total net assets increased by \$361,668 during fiscal year 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

This overview and analysis is intended to serve as an introduction to the Association's basic financial statements, which include two components: (1) the financial statements and (2) notes to the financial statements. This report also contains required supplementary information, which is the Budgetary Comparison Schedule. These components are described below.

Financial Statements

Because NASACT reports as a business-type activity, it presents the statements required for that type of entity. The statements provide both short-term and long-term information about the Association's financial position. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting, the same measurement focus and basis of accounting that is used in the private sector. These financial statements take into account all revenues and expenses related to the fiscal year regardless of whether the cash involved has been received or disbursed. The financial statements include three statements:

1. The Statement of Net Assets (page 14) presents the Association's assets and liabilities, with the difference between the two reported as "Total net assets." Over time, increases or decreases in the Association's net assets serve as an indicator of whether the financial position of NASACT is improving or deteriorating.
2. The Statement of Revenues, Expenses and Changes in Fund Net Assets (page 15) presents information regarding how net assets changed during the fiscal year. All changes in net assets are reported when the underlying event occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for items that will not result in cash transactions until future fiscal periods (such as uncollected contract revenues and earned, but not used, personal leave).
3. The Statement of Cash Flows (page 16) presents the cash receipts and cash payments occurring during the fiscal year. In this statement, changes in net cash are reported when the cash transaction occurs, regardless of the timing of the underlying events. This report provides users

with the information needed to assess the Association's ability to generate future cash flows and meet obligations as they come due and to assess operating versus investing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements may be found immediately following the financial statements, pages 17 through 21.

Required Supplementary Information

Following the basic financial statements is required supplementary information that is used to further explain and support the information in the financial statements. The supplementary information is the Budgetary Comparison Schedule, which can be found on page 23.

FINANCIAL ANALYSIS OF NASACT

The condensed information below was derived from NASACT's Statement of Net Assets at June 30, 2007, and June 30, 2006. The net assets at June 30, 2007, are \$1,670,318, an increase of \$361,668 over fiscal year 2006's net assets of \$1,308,650.

	Net Assets as of		Amount	%
	June 30, 2007	June 30, 2006	Change	Change
Current assets	\$ 1,799,481	\$ 1,644,207	\$ 155,274	9%
Capital assets	757,856	789,088	(31,232)	-4%
Other assets	901,009	948,342	(47,333)	-5%
Total assets	<u>3,458,346</u>	<u>3,381,637</u>	<u>76,709</u>	<u>2%</u>
Current liabilities	1,545,528	1,849,199	(303,671)	-16%
Noncurrent liabilities	<u>242,500</u>	<u>223,788</u>	<u>18,712</u>	<u>8%</u>
Total liabilities	<u>1,788,028</u>	<u>2,072,987</u>	<u>(284,959)</u>	<u>-14%</u>
Invested in capital assets	598,231	629,463	(31,232)	-5%
Unrestricted net assets	<u>1,072,087</u>	<u>679,187</u>	<u>392,900</u>	<u>58%</u>
Total net assets	<u>\$ 1,670,318</u>	<u>\$ 1,308,650</u>	<u>\$ 361,668</u>	<u>28%</u>

Current assets accounts for cash, investments, deposits, accounts receivable, accrued interest receivable and prepaid expenses. Current assets at June 30, 2007, increased by \$155,274, which is an increase of 9% from 2006. This increase is primarily due to the purchase of investments with maturity dates of 13 months or less.

Other assets account for amounts that NASACT receives from the states for the financial support of the Governmental Accounting Standards Board, the employee cafeteria plan, and noncurrent investments. At June 30, 2007, the amount collected and due to the Governmental Accounting Standards Board was \$37,402 less than at June 30, 2006.

Total liabilities, which is made up of accounts payable, salaries payable, GASB operations payable, employee cafeteria plan payable, deferred revenue, compensated absences and notes payable, decreased by 14% or \$284,959 for the year. Accounts payable accounts for \$325,975 of the total liabilities. During fiscal year 2006, NASACT contracted with The Hackett Group to provide benchmarking contracts to the states. Seven states participated in the benchmarking contract during fiscal year 2007. At June 30, 2007, NASACT had an outstanding payable to The Hackett Group for the project in the amount of \$252,338.

The larger component of NASACT's net assets (64%) is the unrestricted net assets, which are the resources that may be used at the Association's discretion to meet ongoing obligations. Unrestricted net assets were 58% (\$392,900) higher at June 30, 2007, than they were at June 30, 2006.

The remaining net asset balance represents NASACT's investment in capital assets such as an office building, office equipment, furniture and software applications. The Association uses these assets to provide services to members; these assets are not available for future spending. After netting capital asset acquisitions with the related debt, net assets invested in capital assets decreased by \$31,232.

The following condensed financial information was derived from NASACT's Statement of Revenues, Expenses and Changes in Fund Net Assets for the years ended June 30, 2007, and June 30, 2006. Line items from the statement have been re-categorized into the major functions to summarize the Association's operations for the two fiscal years and to show the changes in the Association's total net assets.

	Statement of Changes in Net Assets for Fiscal Year Ending June 30,		Amount Change	% Change
	2007	2006		
Revenues				
NASACT operating	\$ 540,151	\$ 528,151	\$ 12,000	2%
Conferences	735,900	755,785	(19,885)	-3%
Training seminars	148,435	178,000	(29,565)	-17%
Technical services	188,600	186,300	2,300	1%
Administrative services	1,313,699	848,851	464,848	55%
Cooperative efforts	70,430	79,887	(9,457)	-12%
Contracts	125,322	197,812	(72,490)	-37%
Miscellaneous	12,589	13,006	(417)	-3%
Interest income	90,733	68,979	21,754	32%
Total revenues	<u>3,225,859</u>	<u>2,856,771</u>	<u>369,088</u>	<u>13%</u>
Expenses				
NASACT operating	632,023	694,839	(62,816)	-9%
Conferences	447,869	524,148	(76,279)	-15%
Training seminars	113,667	136,649	(22,982)	-17%
Technical services	196,627	168,107	28,520	17%
Administrative services	1,291,079	856,843	434,236	51%
Cooperative efforts	12,150	19,805	(7,655)	-39%
Contracts	161,875	196,661	(34,786)	-18%
Interest expense	8,901	9,871	(970)	-10%
Total expenses	<u>2,864,191</u>	<u>2,606,923</u>	<u>257,268</u>	<u>10%</u>
Increase (decrease) in net assets	361,668	249,848	111,820	45%
Net assets - beginning	<u>1,308,650</u>	<u>1,058,802</u>	<u>249,848</u>	<u>24%</u>
Net assets - ending	<u>\$ 1,670,318</u>	<u>\$ 1,308,650</u>	<u>\$ 361,668</u>	<u>28%</u>

NASACT operating accounts for the operations of the Lexington and Washington offices. Its primary source of revenue is NASACT annual dues. NASACT operating revenues were \$540,151 for the current year, a 2% increase from the previous fiscal year. Expenses for fiscal year 2007 decreased by 9% or \$62,816 from fiscal year 2006 expenses. The 2006 fiscal year had expenses related to the relocation of NASACT's headquarters office.

Conference revenues were \$735,900 in fiscal year 2007, a decrease of 3% from the prior year. The 2007 Corporate Associates Program contributed \$10,250 less in 2007 than in 2006. NASACT introduced the Joint Middle Management Conference during fiscal year 2006. The conference is a combined event for mid-level staff from all areas of finance. Registration revenue for the combined conference was \$64,995. This is an increase of \$7,940 from fiscal year 2006.

Fiscal year 2007 conference expenses decreased \$76,279 or by 15%. These expenses vary by location and number of attendees.

Training seminars revenue was \$148,435 for fiscal year 2007, a decrease of \$29,565 from fiscal year 2006. During fiscal year 2007, NASACT coordinated 7 seminars, as compared to 20 during 2006. This resulted in related consultant services and consultant expenses being decreased by \$22,982.

Technical services revenue remained relatively constant during the 2007 and 2006 fiscal years. Revenues were \$2,300 more in 2007 than in 2006. The related expenses increased by \$28,520.

The administrative services program is comprised of two activities, NSAA's peer review program and the benchmarking initiative. It has two sources of revenue, administrative fees and reimbursements, the latter of which is offset by administrative service expense. Both the revenues and expenses for these activities vary based on program participation during the fiscal year.

Cooperative efforts revenue was \$70,430 and expenses were \$12,150 for fiscal year 2007, compared to \$79,887 and \$19,805 respectively in 2006. In conjunction with the Association of Government Accountants and the Association of Local Government Auditors, four audio conferences were conducted during fiscal year 2007. Expenses related to cooperative efforts decreased by 39% or \$7,655. NASACT shares profits with the abovementioned associations in the amount of \$75 per site registration for their respective members. During 2007, the abovementioned partner organizations received \$3,750 in shared profits.

Contract revenue decreased during the fiscal year by \$72,490. During December 2006, the scope of the eC3 contract was reduced, which resulted in \$64,750 less revenue being received from eC3 in fiscal year 2007 than in fiscal year 2006. In addition, the contract with ICGFM was not renewed for fiscal year 2007, which resulted in a decrease in revenue of \$12,000.

Interest income increased by 32%, or \$21,754, during fiscal year 2007. This increase is mainly a result of staff's initiative to invest excess reserves in instruments yielding higher returns than the operating account offers.

For fiscal year 2007, indirect costs were allocated to individual line items for financial statement presentation.

BUDGETARY HIGHLIGHTS

NASACT's Executive Committee approves the Association's annual budget prior to the beginning of the fiscal year. The budget was amended during fiscal year 2007 to implement salary adjustments on April 1, 2007.

NASACT's management is aware of the importance of reducing expenses and pursuing cost-saving techniques. During the past five fiscal years, we have aggressively pursued these initiatives. During fiscal years 2007, 2006, 2005, 2004 and 2003, we either initiated or continued the following cost-saving and revenue generating techniques:

- Invested excess reserves in financial instruments yielding higher returns than the operating account.
- Implemented document scanning to eliminate or reduce photocopying, storage, and supplies expense.
- Utilized e-mail to distribute information (including electronic publication of the *NASACT News*), resulting in postage savings.
- Utilized frequent flyer miles to the extent possible, reducing travel expenses.
- Utilized hotel point programs to the extent possible, reducing hotel expenses.
- Produced and printed conference-related materials in-house, resulting in significant savings in printing costs.

ECONOMIC CONDITION AND OUTLOOK

The Association experienced an exceptional financial year during 2007. In addition to the Corporate Associates Program exceeding budget for the third year, NASACT's registration fees exceeded the budget by \$57,973. Interest income also contributed \$44,733 more than budgeted during 2007.

For fiscal year 2008, NASACT budgeted an increase in net assets of \$19,644.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the National Association of State Auditors, Comptrollers and Treasurers to interested individuals. Questions concerning any of the information provided in this report or requests for additional information should be addressed to NASACT, 449 Lewis Hargett Circle, Suite 290, Lexington, KY 40503, (859) 276-1147.

National Association of State Auditors, Comptrollers and Treasurers
Statement of Net Assets
June 30, 2007

ASSETS

Current assets:	
Cash and cash equivalents	\$ 744,079
Investments	605,649
Deposits held in custody by others	3,583
Accounts receivable	398,220
Accrued interest receivable	26,966
Prepaid expenses	20,984
Total current assets	<u>1,799,481</u>
Noncurrent assets:	
Restricted cash	701,009
Investments	200,000
Capital assets - building, net of accumulated depreciation	718,294
Capital assets - equipment, net of accumulated depreciation	39,562
Total noncurrent assets	<u>1,658,865</u>
Total assets	<u>\$ 3,458,346</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 325,975
Salaries payable	32,802
GASB operations payable	700,238
Employee cafeteria plan payable	771
Deferred revenue	463,425
Compensated absences	22,317
Total current liabilities	<u>1,545,528</u>
Noncurrent liabilities:	
Compensated absences	82,875
Note payable	159,625
Total noncurrent liabilities	<u>242,500</u>
Total liabilities	<u>1,788,028</u>

NET ASSETS

Invested in capital assets, net of related debt	598,231
Unrestricted	1,072,087
Total net assets	<u>1,670,318</u>
Total liabilities and net assets	<u>\$ 3,458,346</u>

**National Association of State Auditors, Comptrollers and Treasurers
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Period Ended June 30, 2007**

Operating Revenues:	
State dues	\$ 540,125
Technical service fees	188,500
Corporate associates	373,250
Sponsor fees	70,000
Registration fees	459,273
Contract revenue	160,322
Administrative service reimbursements	1,218,005
Administrative service fees	94,694
Sale of publications	480
Miscellaneous revenue	30,477
Total operating revenues	<u>3,135,126</u>
Operating Expenses:	
Salaries	791,117
Employee benefits	193,808
Supplies	20,995
Postage and handling	5,975
Repairs and maintenance	5,246
Uncollectible receivables	1,446
Continuing education	11,803
Consultant services	63,292
Consultant expenses	26,955
Staff travel	45,411
Executive committee/president expense	18,086
Meeting expense	269,260
Administrative service expense	1,219,218
Copying and printing	21,450
Advertising	644
Books and periodicals	2,228
Credit card fees	15,144
Miscellaneous	9,936
Professional membership dues	100
Banking service fees	2,032
Telephone and data services	19,224
Rent	51,056
Condominium association fees	8,647
Utilities	2,776
Equipment rental	5,012
Insurance	1,522
Legal	1,797
Auditing	2,179
Depreciation	38,931
Total operating expenses	<u>2,855,290</u>
Operating income (loss)	<u>279,836</u>
Nonoperating revenues (expenses)	
Interest and investment revenue	90,733
Interest expense	(8,901)
Total nonoperating revenues (expenses)	<u>81,832</u>
Change in net assets	361,668
Total net assets - beginning	1,308,650
Total net assets - ending	<u>\$ 1,670,318</u>

National Association of State Auditors, Comptrollers and Treasurers
Statement of Cash Flows
For the Year Ended June 30, 2007

	Unrestricted Cash	Restricted Cash	Total Cash
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members	\$ 717,800	\$	\$ 717,800
Receipts from corporate associates	403,500		403,500
Receipts from sponsors	43,000		43,000
Receipts from participants	416,284		416,284
Receipts from contractors	191,096		191,096
Receipts from administrative service reimbursements	1,299,938		1,299,938
Receipts from administrative service fees	95,928		95,928
Receipts from sales of publications	480		480
Receipts for GASB		958,202	958,202
Receipts for cafeteria plan		5,313	5,313
Other receipts	30,477		30,477
Payments to vendors	(2,042,180)		(2,042,180)
Payments to employees	(998,368)		(998,368)
Payments to GASB		(995,604)	(995,604)
Payments to cafeteria plan participants		(4,788)	(4,788)
Net cash provided by operating activities	<u>157,955</u>	<u>(36,877)</u>	<u>121,078</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(7,698)		(7,698)
Interest paid on capital debt	(8,901)		(8,901)
Net cash used by capital and related financing activities	<u>(16,599)</u>		<u>(16,599)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale and maturity of investments	104,806		104,806
Purchase of investments and securities	(500,000)		(500,000)
Interest and dividends	71,569		71,569
Net cash provided by investing activities	<u>(323,625)</u>		<u>(323,625)</u>
Net increase (decrease) in cash and cash equivalents	<u>(182,269)</u>	<u>(36,877)</u>	<u>(219,146)</u>
Balances - beginning of the year	926,348	737,886	1,664,234
Balances - end of the year	<u>\$ 744,079</u>	<u>\$ 701,009</u>	<u>\$ 1,445,088</u>
Reconciliation of operating income to net cash provided			
by operating activities:			
Operating income	\$ 279,836		
Adjustments to reconcile operating income to net cash provided			
by operating activities:			
Increase in depreciation	38,931		
Change in assets and liabilities:			
Decrease in accounts receivable	82,688		
Decrease in prepaid expenses	4,583		
Decrease in accounts payable	(211,592)		
Decrease in salaries payable	(20,460)		
Decrease in deferred revenue	(23,046)		
Increase in compensated absences	7,015		
Net cash provided by operating activities	<u>\$ 157,955</u>		

National Association of State Auditors, Comptrollers and Treasurers
Notes to the Financial Statements
June 30, 2007

Note 1 Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The Association has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the financial statements, and required supplementary information, which includes the *Budgetary Comparison Schedule*, which follows these footnotes.

The accompanying financial statements present the financial position of the Association as of and for the year ended June 30, 2007.

a. Reporting Entity

The National Association of State Auditors, Comptrollers and Treasurers, an unincorporated association, is an instrumentality of the states. Its mission, as set forth in its constitution, is to assist state leaders to enhance and promote effective and efficient management of government resources.

Because of the Association's standing as an instrumentality of the states, its financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB.

b. Measurement Focus, Basis of Accounting and Basis of Presentation

The Association is considered a special purpose government and reports as a business-type activity, using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses result from providing services in connection with ongoing operations. Items not meeting the criteria of operating transactions are recorded as non-operating.

c. Budgetary Data

The annual budget for fiscal year 2007 was prepared using the full accrual basis of accounting. The Association's budget and any subsequent revisions are approved by the Executive Committee.

d. Capital Assets

Capital assets, which include an office building, office equipment, furniture, and software, are reported on the Statement of Net Assets. The Association defines capital assets as assets that have a cost of \$1,000 or more at the date of acquisition and have an expected useful life of more than one year.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives.

e. Business-Type Activity Accounting and Financial Reporting

The Association applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins.

National Association of State Auditors, Comptrollers and Treasurers
Notes to the Financial Statements
June 30, 2007

f. **Basis for Cash Restriction**

NASACT classifies cash into two categories, restricted and unrestricted. Restricted cash balances are cash amounts administered by NASACT, but the principal balance neither belongs to nor is controlled by the Association. Restricted cash balances reported in the financial statements include the balance of the collections from the states to fund the GASB and the balance in the employee cafeteria plan. All other cash held by the Association is considered unrestricted for reporting purposes.

Note 2 Cash and Cash Equivalents, Restricted Cash and Investments

As of June 30, 2007, the Association had the following investments and securities:

<u>Deposit Type</u>	<u>Fair Value</u>
Cash:	
Demand	\$ 1,445,088
Investments:	
Certificates of deposit	<u>805,649</u>
Total	<u>2,250,737</u>
Net withdrawals and deposits in transit	<u>3,911</u>
Total cash and investments in bank	<u>\$ 2,254,648</u>

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association's policy requires bank institutions to provide collateralization in excess of the FDIC limit. As of June 30, 2007, \$5,649 of the Association's total bank deposits was exposed to custodial credit risk because this portion was uninsured and uncollateralized.

Interest Rate Risk. Managing interest rate risk limits NASACT's exposure to fair value losses arising from changes in interest rates. The Association's investment policy limits investments with maturities of more than 13 months to not more than one-third of the total net assets. As of June 30, 2007, the Association had two investments with a maturity greater than one year.

Note 3 Accounts Receivable

Accounts receivable have been aggregated and presented in the financial statements. Detailed information is presented below:

Benchmarking	\$ 259,908
Contracts	62,811
Peer review	4,472
Registrations	6,729
Reimbursements	6,300
Corporate associates/sponsors	<u>58,000</u>
Accounts receivable, June 30, 2007	<u>\$ 398,220</u>

National Association of State Auditors, Comptrollers and Treasurers
Notes to the Financial Statements
June 30, 2007

Note 4 Capital Assets

The Association's investment in capital assets as of June 30, 2007, totals \$757,856 (net of accumulated depreciation). This investment in capital assets includes the headquarters office, furniture, equipment and software. Capital asset activity for the year ended June 30, 2007, is summarized below:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Building	\$ 748,689	\$	\$	\$ 748,689
Furniture	26,850			26,850
Equipment	74,418			74,418
Software	36,050	7,698	6,222	37,526
Total capital assets	<u>886,007</u>	<u>7,698</u>	<u>6,222</u>	<u>887,483</u>
Less accumulated depreciation				
Building	11,198	19,197		30,395
Furniture	8,502	2,268		10,770
Equipment	57,514	6,632		64,146
Software	19,705	10,833	6,222	24,316
Total accumulated depreciation	<u>96,919</u>	<u>38,930</u>	<u>6,222</u>	<u>129,627</u>
Capital assets, net	<u>\$ 789,088</u>	<u>\$ (31,232)</u>	<u>\$</u>	<u>\$ 757,856</u>

Note 5 Accounts Payable

Accounts payable have been aggregated and presented in the financial statements. Detailed information is presented below:

Benchmarking	\$ 252,338
Payroll taxes	595
Peer review	5,336
Retirement	4,378
Vendors	<u>63,328</u>
Accounts payable, June 30, 2007	<u>\$ 325,975</u>

Note 6 Compensated Absences

Compensated absences activity for the year ended June 30, 2007, is summarized below. Of this amount, \$22,317 is considered a current liability.

Compensated absences, July 1, 2006	\$ 98,176
Additions	92,857
Deletions	85,841
Compensated absences, June 30, 2007	<u>\$ 105,192</u>

National Association of State Auditors, Comptrollers and Treasurers
Notes to the Financial Statements
June 30, 2007

Note 7 Operating Leases

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2007:

Year Ending June 30	Office Space	Copier	Total
2008	\$ 43,357	\$ 3,504	\$ 46,861
2009	41,520	2,044	43,564
2010	42,351		42,351
2011	43,198		43,198
2012	44,062		44,062
2013	44,943		44,943
2014	26,000		26,000
Total future minimum lease payments	<u>\$ 285,431</u>	<u>\$ 5,548</u>	<u>\$ 290,979</u>

The following schedule shows the composition of total rental expenditures for all operating leases:

	For the Year Ended June 30, 2007
Minimum rentals:	
Washington	\$ 41,989
Copier	3,504
Postage machine	1,508
Total	<u>\$ 47,001</u>

Note 8 Note Payable

On December 15, 2005, NASACT secured a note in the amount of \$355,000 for the purchase of the Association's headquarters office. The note is a five-year balloon with a 5.5% fixed interest rate and is amortized over 20 years. There is no prepayment penalty.

Note payable activity for the year ended June 30, 2007, is summarized below.

Note payable, July 1, 2006	\$ 159,625
Additions	
Deletions	
Note payable, June 30, 2007	<u>\$ 159,625</u>

National Association of State Auditors, Comptrollers and Treasurers
Notes to the Financial Statements
June 30, 2007

Note 9 Retirement Plan

Generally, all employees are eligible to participate in the Teachers' Insurance and Annuity Association/College Retirement Equities Fund, a privately administered, defined contribution retirement plan. Participant eligibility and contributory requirements are established in the Retirement Resolution. Employees contribute 5% of gross wages and the Association contributes 10% of gross wages. The Association will match additional employee contributions up to 4%. After an employee completes 25 years of service and reaches age 60, or after completing 30 years of service and reaching age 55, the Association contributes an additional ten percent of gross wages, for a total employer contribution of 20%. The Association assumes no liability other than its contributions. The plan administrator's annual report may be obtained by writing to: TIAA-CREF, 730 Third Avenue, New York, NY 10017.

For the year ended June 30, 2007, the Association had a total payroll of \$791,117, of which \$763,543 was covered by the plan. Employee contributions for the plan years ending June 30, 2007, 2006, and 2005 were \$38,706, \$37,598, and \$38,396, respectively. Employer contributions for the plan years ending June 30, 2007, 2006, and 2005 were \$106,271, \$101,297, and \$77,192, respectively.

Note 10 Risk Management and Insurance Coverage

Association employee benefits for health, dental, long-term disability and life insurance coverage are fully insured through commercial carriers. A commercial insurance carrier provides coverage for property exposure. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2007. The Association does not participate in any risk pools.

Note 11 Disposition of NSAA Portion of Unrestricted Net Assets

In fiscal year 2001, the National State Auditors Association eliminated support for the training packages component of the State Auditor Training Program and designated the remaining balance of \$139,547 at June 30, 2001, until further study and analysis could be performed regarding the appropriate distribution of the training packages balance. After applying the provisions of GASB 34, the designated balance was reduced to \$134,884 and is reflected as a component of Unrestricted Net Assets.

On March 24, 2003, the NSAA Executive Committee approved a scholarship program to assist members/speakers in attending NSAA conferences. The scholarships will be funded by the interest earned on the training fund; the principal will remain intact.

Note 12 Related Party Transaction with National Electronic Commerce Coordinating Council (eC3)

NASACT and the National Association of Secretaries of State jointly form the eC3. eC3 provides for information sharing and cooperative efforts in the development of electronic commerce. eC3 is a related party to NASACT:

- Three NASACT Executive Committee members are members of the eC3 Board of Directors.
- Since fiscal year 2000, NASACT has been contracted as the administration agent for eC3. Currently, the contract is for a fixed annual fee of \$77,000.

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Required Supplementary Information

**National Association of State Auditors, Comptrollers and Treasurers
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Operating Revenues:				
State dues	\$ 495,000	\$ 495,000	\$ 540,125	\$ 45,125
Technical service fees	181,875	181,875	188,500	6,625
Corporate associates	305,000	305,000	373,250	68,250
Sponsor fees	62,500	62,500	70,000	7,500
Registration fees	401,300	401,300	459,273	57,973
Contract revenue	178,000	216,500	160,322	(56,178)
Administrative service reimbursements	230,000	230,000	1,218,005	988,005
Administrative service fees	69,000	69,000	94,694	25,694
Sale of publications	500	500	480	(20)
Miscellaneous revenue	11,429	11,429	30,477	19,048
Total operating revenues	<u>1,934,604</u>	<u>1,973,104</u>	<u>3,135,126</u>	<u>1,162,022</u>
Operating Expenses:				
Salaries	772,071	789,940	791,117	(1,177)
Employee benefits	184,351	187,177	193,808	(6,631)
Supplies	19,405	19,405	20,995	(1,590)
Postage and handling	7,655	7,655	5,975	1,680
Repairs and maintenance	10,000	10,000	5,246	4,754
Uncollectible receivables			1,446	(1,446)
Continuing education	15,000	15,000	11,803	3,197
Consultant services	58,200	58,200	63,292	(5,092)
Consultant expenses	29,850	29,850	26,955	2,895
Staff travel	54,800	54,800	45,411	9,389
Executive committee/president expense	18,000	18,000	18,086	(86)
Meeting expense	328,775	328,775	269,260	59,515
Administrative service expense	230,000	230,000	1,219,218	(989,218)
Copying and printing	25,775	25,775	21,450	4,325
Duplication - audio/visual aids	100	100		100
Advertising			644	(644)
Books and periodicals	3,650	3,650	2,228	1,422
Credit card fees	9,772	9,772	15,144	(5,372)
Miscellaneous	15,550	15,550	9,936	5,614
Professional membership dues			100	(100)
Banking service fees			2,032	(2,032)
Telephone and data services	16,955	16,955	19,224	(2,269)
Rent	50,250	50,250	51,056	(806)
Condominium association fees	5,775	5,775	8,647	(2,872)
Utilities	4,800	4,800	2,776	2,024
Equipment rental	5,868	5,868	5,012	856
Insurance	2,095	2,095	1,522	573
Legal	15,000	15,000	1,797	13,203
Auditing	3,000	3,000	2,179	821
Depreciation	41,154	41,154	38,931	2,223
Total operating expenses	<u>1,927,851</u>	<u>1,948,546</u>	<u>2,855,290</u>	<u>(906,744)</u>
Operating income (loss)	<u>6,753</u>	<u>24,558</u>	<u>279,836</u>	<u>255,278</u>
Nonoperating revenues (expenses)				
Interest and investment revenue	46,000	46,000	90,733	44,733
Interest expense	(18,638)	(18,638)	(8,901)	9,737
Total nonoperating revenues (expenses)	<u>27,362</u>	<u>27,362</u>	<u>81,832</u>	<u>54,470</u>
Change in net assets	34,115	51,920	361,668	309,748
Total net assets - beginning	1,308,650	1,308,650	1,308,650	
Total net assets - ending	<u>\$ 1,342,765</u>	<u>\$ 1,360,570</u>	<u>\$ 1,670,318</u>	<u>\$ 309,748</u>



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT

SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0264
PHONE (615) 401-7897
FAX (615) 532-2765

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
*Government Auditing Standards***

September 14, 2007

The Executive Committee and Members
And

R. Kinney Poynter, Executive Director
National Association of State Auditors, Comptrollers, and Treasurers
449 Lewis Hargett Circle
Suite 290
Lexington, KY 40503

Ladies and Gentlemen:

We have audited the financial statements of the business-type activities of the National Association of State Auditors, Comptrollers, and Treasurers (the Association) as of and for the year ended June 30, 2007, and have issued our report thereon dated September 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be significant deficiencies. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A

The Executive Committee and Members
September 14, 2007
Page Two

significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

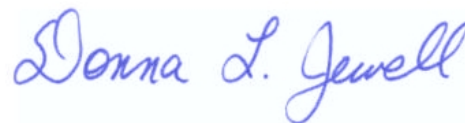
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Executive Committee, Members of the Association, and the Executive Director of the Association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Donna Jewell, CPA, CFE
2007 NASACT Audit Team Leader

Statistical Section

National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007

This part of NASACT's comprehensive annual financial report presents detailed information in the areas listed below to provide a context for understanding what the information in the financial statements and notes says about the Association's overall financial health.

Content

Financial Trend Information 27

These schedules contain trend information to help the reader understand how the Association's financial performance and fiscal well-being have changed over time.

Revenue Information 28

These schedules present information to help the reader evaluate NASACT's most significant revenue sources: membership dues, registration fees, contract revenue and the corporate associates program.

Debt Information 32

These schedules present information to help the reader assess the Association's current levels of outstanding debt and the ability to incur debt in the future.

Demographic Information 33

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Association's financial activities take place.

Operating Information 34

These schedules contain operating data to help the reader understand how the information in the Association's financial report relates to the services it provides and activities it performs.

Sources

Financial Information is derived from the financial statements presented in the comprehensive annual financial reports for the relevant years. Non-financial information is derived from various internal sources including, but not limited to, conference databases, source documents, and historical membership files.

Note

Due to the reporting format and definition changes prescribed by GASB Statement No. 34, information for fiscal years 2002-2007 is provided.

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

**Financial Trend Information - Net Assets
Last Six Fiscal Years**

Net assets	2007	2006	2005	2004	2003	2002
Invested in capital assets, Net of related debt	\$ 598,231	\$ 629,463	\$ 52,783	\$ 42,440	\$ 42,091	\$ 38,810
Unrestricted	1,072,087	679,187	1,006,018	707,277	503,495	491,422
Total net assets	\$ 1,670,318	\$ 1,308,650	\$ 1,058,801	\$ 749,717	\$ 545,586	\$ 530,232

**Financial Trend Information - Changes in Net Assets
Last Six Fiscal Years**

	2007	2006	2005	2004	2003	2002
Operating Revenues						
NASACT operating	\$ 540,151	\$ 528,151	\$ 506,767	\$ 501,930	\$ 422,655	\$ 333,214
Conferences	735,900	755,785	641,715	718,750	596,060	701,427
Training seminars	148,435	178,000	127,950	118,025	115,550	86,400
Technical services	188,600	186,300	189,800	188,900	183,475	184,975
Administrative services	1,313,699	848,851	161,448	219,586	188,989	163,771
Cooperative efforts	70,430	79,887	75,371	75,369	86,494	250,384
Contracts	125,322	197,913	416,815	238,310	229,388	165,400
Miscellaneous	12,589	13,005	12,621	20,152	12,252	14,347
Total operating revenues	3,135,126	2,787,892	2,132,487	2,081,022	1,834,863	1,899,918
Operating Expenses						
NASACT operating	632,023	694,839	554,009	732,860	734,999	763,328
Conferences	447,869	524,148	430,697	404,021	373,468	469,241
Training seminars	113,667	136,649	92,014	81,381	85,171	52,128
Technical services	196,627	168,107	203,968	169,655	158,260	161,429
Administrative services	1,291,079	856,843	149,820	202,553	185,450	155,883
Cooperative efforts	12,150	19,805	30,109	42,298	80,321	248,609
Contracts	161,875	196,661	396,383	252,834	220,050	146,085
Total operating expenses	2,855,290	2,597,052	1,857,000	1,885,602	1,837,719	1,996,703
Operating income (loss)	279,836	190,840	275,487	195,420	(2,856)	(96,785)
Nonoperating Revenues (Expenses)						
Interest revenue	90,733	68,979	33,598	12,913	18,209	29,086
Interest expense	8,901	9,871				
Loss on disposal of assets				4,203		
Nonoperating income (loss)	81,832	59,108	33,598	8,710	18,209	29,086
Change in net assets	\$ 361,668	\$ 249,948	\$ 309,085	\$ 204,130	\$ 15,353	\$ (67,699)

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Revenue Information - Membership Dues						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Dues billed	\$ 691,500	\$ 649,000	\$ 632,375	\$ 622,375	\$ 527,250	\$ 392,500
Dues paid by members	540,125	526,975	506,575	496,800	418,625	332,500
Membership dues per tier						
1 (staff > 500)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	n/a
2 (staff 300 - 499)	4,500	4,500	4,500	4,500	3,500	n/a
3 (staff 175 - 299)	4,000	4,000	4,000	4,000	3,250	n/a
4 (staff 100 - 174)	3,500	3,500	3,500	3,500	3,000	n/a
5 (staff < 100)	3,000	3,000	3,000	3,000	2,750	n/a

Note

The current dues structure was instituted in fiscal year 2003.

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Revenue Information - Registration Fees						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Registration revenue						
Audio conferences	\$ 53,188	\$ 74,305	\$ 68,078	\$ 69,821	\$ 13,022	\$ 22,460
NASACT ^a	98,825	120,875	99,390	87,600	73,244	290,919
NASC	26,100	18,550	27,750	22,750	26,245	48,890
NSAA	102,730	105,805	105,075	96,900	79,750	85,575
NSAA/NASC	64,995	57,055				
State and local conference					73,150	65,910
Tennessee training seminars	113,435	81,100	93,200	92,375	79,150	70,650
Total registration revenue	\$ 459,273	\$ 457,690	\$ 393,493	\$ 369,446	\$ 344,561	\$ 584,404
Number of conferences held						
Audio conferences	4	5	4	3	1	1
NASACT	2	2	2	2	2	3
NASC	2	2	4	3	5	6
NSAA	4	4	5	4	3	3
NSAA/NASC	1	1				
State and local conference					1	1
Tennessee training seminars	4	4	4	4	4	4
Total number of conferences held	17	18	19	16	16	18
Number of attendees						
Audio conferences ^b	200	308	284	287	53	90
NASACT	316	350	329	280	265	351
NASC	164	169	223	191	329	294
NSAA	317	395	364	311	351	266
NSAA/NASC	186	174				
State and local conference					182	169
Tennessee training seminars	518	456	492	487	439	429
Total number of attendees	1,701	1,852	1,692	1,556	1,619	1,599
CPE credits issued						
Audio conferences	6,170	6,728	6,712	6,452	1,034	1,069
NASACT	1,711	2,057	1,691	1,102	890	1,590
NASC	907	734	922	717	958	1,510
NSAA	4,010	4,731	4,594	3,958	2,593	3,357
NSAA/NASC	2,886	2,305				
State and local conference ^c						
Tennessee training seminars	7,540	6,794	8,073	7,710	7,101	5,997
Total CPE credits issued	23,224	23,349	21,992	19,939	12,576	13,523

Notes

- ^a Fiscal year 2002 includes a GASB 34 teleconference.
^b Registrations for audio conferences are by site, not by individual attendee.
^c The State and Local Government Conference was a joint conference with the Association of Government Accountants. CPE credit was issued through AGA.

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Revenue Information - Contract Revenue						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Contract revenue						
AGA	\$	\$	\$ 20,000	\$	\$	\$
ALGA	46,822	42,562	38,800	38,163	38,763	41,200
eC3	78,500	127,250	164,200	164,200	164,200	124,200
ICGFM		12,000	17,250	20,000	20,000	
Training seminars	35,000	96,900	34,750	25,650	36,400	15,750
Urban Institute			16,046	15,947	6,425	
U.S. Department of State			160,519			
Total contract revenue	\$ 160,322	\$ 278,713	\$ 451,565	\$ 263,960	\$ 265,788	\$ 181,150
Types of services contracted						
AGA			T			
ALGA	A, C, F	A, C, F	A, C, F	A, C, F	A, C, F	A, C, F
eC3	A, C, F, I	A, C, F, I	A, C, F, I	A, C, F, I	A, C, F, I	A, F, I
ICGFM		A	A, C	A, C	A, C	
Training seminars	T	T	T	T	T	T
Urban Institute			I, T	I, T	I, T	
U.S. Department of State			A, F, T			
Number of contracts						
AGA			1			
ALGA	1	1	1	1	1	1
eC3	2	2	2	2	2	1
ICGFM		1	1	1	2	
Training seminars	7	20	7	5	7	3
Urban Institute			1	1	1	
U.S. Department of State			1			
Total number of contracts	10	24	14	10	13	5

Key

A Administrative
C Conference
F Financial
I Information technology
T Technical

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Revenue Information - Corporate Associates Program				
Last Four Fiscal Years ^a	2007	2006	2005	2004
Corporate associates revenue per level				
Bronze	\$ 95,000	\$ 90,000	\$ 65,000	\$ 75,000
Silver	112,500	112,500	87,500	100,000
Gold	75,000	75,000	75,000	200,000
Platinum	80,000	90,000	80,000	80,000
Other	10,750	16,000	44,000	2,500
Total corporate associates revenue	\$ 373,250	\$ 383,500	\$ 351,500	\$ 457,500
Corporate associates levels				
Bronze	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Silver	12,500	12,500	12,500	12,500
Gold	25,000	25,000	25,000	25,000
Platinum ^b	40,000	40,000	40,000	
Corporate associates per level				
Bronze	19	18	13	15
Silver	9	9	7	8
Gold	3	3	3	8
Platinum	2	2	2	2
Other	7	7	20	1
Total number of corporate associates	40	39	45	34

Notes

^a Only four years of data are presented for the Corporate Associates Program because the program was established during fiscal year 2004.

^b Platinum level is \$40,000 and above.

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Debt Information ^a Last Two Fiscal Years	2007	2006
Capital debt, beginning balance	\$ 159,625	\$
Capital debt incurred		355,000
Capital debt principal payments		195,375
Capital debt, ending balance	\$ 159,625	\$ 159,625
Capital debt per dues paying member	\$ 1,183	\$
Capital debt incurred		2,630
Capital debt principal payments		1,447
Capital debt per dues paying member	\$ 1,183	\$ 1,183

Note

^a Prior to fiscal year 2006 NASACT had no capital debt.

**National Association of State Auditors, Comptrollers and Treasurers
 Statistical Section
 For the Fiscal Year Ended June 30, 2007**

Demographic Information						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Membership by financial function						
Auditor	55	55	55	55	57	62
Comptroller	51	52	50	47	51	52
Treasurer	28	28	29	28	25	29
Total membership	134	135	134	130	133	143

**National Association of State Auditors, Comptrollers and Treasurers
Statistical Section
For the Fiscal Year Ended June 30, 2007**

Operating Information - Full-Time Equivalents						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
NASACT operating	6.82	7.10	6.67	7.18	9.18	8.80
Conferences	1.43	1.27	1.45	1.31	0.67	0.86
Training seminars	0.23	0.27	0.11	0.10	0.10	0.10
Technical services	1.34	1.34	1.76	1.66	1.45	1.68
Administrative services	0.77	0.82	0.49	0.67	0.51	0.43
Cooperative efforts	0.02	0.12	0.14	0.13	0.06	0.21
Contracts	1.42	1.52	2.62	2.52	2.25	1.54
Total full-time equivalents	12.03	12.44	13.24	13.57	14.22	13.62

Operating Information - Employee Count						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Total employee count	13	13	14	14	15	14

Operating Information - Capital Assets						
Last Six Fiscal Years	2007	2006	2005	2004	2003	2002
Capital assets by classification						
Building	\$ 718,294	\$ 737,491	\$	\$	\$	\$
Furniture	16,080	18,348	10,245	11,526		
Equipment	10,272	16,904	20,456	22,184	32,535	10,400
Software	13,210	16,345	22,082	8,730	9,557	28,410
Total capital assets by classification	\$ 757,856	\$ 789,088	\$ 52,783	\$ 42,440	\$ 42,092	\$ 38,810

Building						
Square footage	5,200	5,200				
Equipment						
Laptops	8	8	8	7	7	5
Personal computers	7	7	9	11	12	12
Servers	1	1	1	1	1	1
Software applications	7	7	5	5	5	3