

# NASACT Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010



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

# NASACT Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010



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**National Association of State Auditors, Comptrollers and Treasurers**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

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# Introductory Section

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## National Association of State Auditors, Comptrollers and Treasurers

September 3, 2010

### EXECUTIVE COMMITTEE OFFICERS

#### **President**

NANCY K. KOPP  
State Treasurer  
Maryland

#### **First Vice President**

RONALD L. JONES  
Chief Examiner  
Office of the Examiner of Public  
Accounts, Alabama

#### **Second Vice President**

MARTIN J. BENISON  
Comptroller  
Massachusetts

#### **Secretary**

JAMES B. LEWIS  
State Treasurer  
New Mexico

#### **Treasurer**

WILLIAM G. HOLLAND  
Auditor General  
Illinois

### EXECUTIVE DIRECTOR

R. KINNEY POYNTER  
Lexington, Kentucky

### CONTACT INFORMATION

Headquarters Office  
449 Lewis Hargett Circle  
Suite 290  
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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, 2010. 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 the Association'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 2010 financial statements in September of 2010. 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 2009-2010 along with a list of staff in the Lexington and Washington offices at September 3, 2010. 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 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, audio conferences and webinars.
- Offer training seminars on a variety of finance and audit-related topics.
- 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 2010 has been an active year for NASACT and its members. Listed below are some of the activities we have focused on during the year:

- **ARRA:** NASACT continues to be actively involved with government accountability officials and associations to ensure the implementation and auditing of the American Recovery and Reinvestment Act of 2009 by organizing conference calls and national briefings with our members and partner organizations. NASACT assisted the U.S. Office of Management and Budget in developing single audit guidance.
- **Conferences and Training Opportunities:** NASACT planned several conferences, including the annual conference, a highlight each year for members. NASACT's training seminars program has also provided customized training sessions to meet the particular needs of employees in NASACT's member offices.
- **Webinars:** NASACT's quarterly audio conferences and webinars have provided low-cost training on a range of timely topics. By working with partner organizations, NASACT has been able to offer five webinars 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.
- **GASB Funding:** NASACT has continued to work with its industry partners to address funding issues of the Governmental Accounting Standards Board. The Dodd-Frank Wall Street Reform and Consumer Protection Act includes language that will provide a funding source.
- **Standards Setting:** Standards-setting bodies have been busy during the past year, and NASACT has been busy examining and responding to the proposed standards and due process documents from the GASB, the American Institute of Certified Public Accountants, and others. NASACT also offered input on the 2010 draft Compliance Supplement from OMB. 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. In addition to ARRA, a few examples include efforts to repeal federal three percent tax withholding legislation, to streamline and simplify grants-related systems and processes, to remove cell phones as listed property and to monitor implementation actions surrounding the Federal Funding Accountability and Transparency Act.
- **Administrative Contracts:** NASACT continues to provide association management services to the Association of Local Government Auditors.

The preparation of this report was made possible by the dedicated support of NASACT's finance manager along with the assistance of our accounting student intern 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, reading "Kinney Poynter". The signature is written in a cursive style with a large, looping initial "K".

R. Kinney Poynter  
Executive Director

**NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS AND TREASURERS**

**EXECUTIVE COMMITTEE 2009-2010**

**OFFICERS**

***President***

Glen B. Gainer III  
State Auditor  
West Virginia

***First Vice President***

Nancy K. Kopp  
State Treasurer  
Maryland

***Second Vice President***

Ronald L. Jones  
Chief Examiner  
Alabama

***Secretary***

Martin J. Benison  
Comptroller  
Massachusetts

***Treasurer***

James Lewis  
State Treasurer  
New Mexico

***Immediate Past President***

Thomas H. McTavish  
Auditor General  
Michigan

**OTHER MEMBERS**

Brenda Bolander  
State Comptroller  
Oklahoma

Jerry Burnett  
State Treasurer  
Alaska

Debbie Davenport  
Auditor General  
Arizona

W. Daniel Ebersole  
State Treasurer  
Georgia

Robert Kleine  
State Treasurer  
Michigan

Walter J. Kucharski  
Auditor of Public Accounts  
Virginia

Calvin McKelvogue  
Chief Operating Officer  
Iowa

Janice Mueller  
State Auditor  
Wisconsin

D. Clark Partridge  
State Comptroller  
Arizona

**NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS AND TREASURERS**

**STAFF**

(September 3, 2010)

**In Lexington**

R. Kinney Poynter, CPA, Executive Director

Patsy Hackney, Administrative Assistant

Glenda Johnson, Communications Manager

Fay Kurkijy, Peer Review Coordinator

Donna Maloy, CMP, Conference Manager

Kimberly O’Ryan, CPA, NASC Association Manager

Adrian Puryear, IT / Web Manager

Sherri Rowland, CPA, NSAA Association Director

Matt Shepperd, Student Intern

Lori Slagle, Finance Manager

**In Washington**

Cornelia Chebinou, J.D., Washington Director

Tanya Grayson, Administrative Assistant

Neal Hutchko, Policy Analyst

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# Financial Section

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Sen. Bobby L. Glover  
Senate Co-Chair  
Rep. Johnny Hoyt  
House Co-Chair  
Sen. Bill Pritchard  
Senate Co-Vice Chair  
Rep. Beverly Pyle  
House Co-Vice Chair

# Arkansas



Roger A. Norman, JD, CPA, CFE  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### Independent Auditor's Report

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

We have audited the accompanying financial statements of the business-type activities of the National Association of State Auditors, Comptrollers and Treasurers (NASACT), as of and for the year ended June 30, 2010, which collectively comprise NASACT's basic financial statements as listed in the table of contents. These financial statements are the responsibility of NASACT'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.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the business-type activities of NASACT, as of June 30, 2010, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2010 on our consideration of NASACT'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 considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison schedule are not required parts 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 financial statements that collectively comprise NASACT's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Tom Bullington". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tom E. Bullington, CPA  
2010 NASACT Audit Team Leader

Little Rock, AR  
September 3, 2010

## **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, 2010. 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 \$2,075,907 (presented as "Total net assets"). Of this amount, \$1,390,734 was reported as "Unrestricted." In fiscal year 2009, net assets exceeded liabilities by \$1,938,511 and unrestricted net assets were \$1,381,001. Unrestricted net assets represents the amount available to meet ongoing obligations.

#### **Change in Net Assets**

In fiscal year 2010, NASACT's total net assets increased by \$137,396.

### **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 18) 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 19) 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 20) 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 21 through 25.

## Required Supplementary Information

Following the basic financial statements is required supplementary information which further explains and supports the information in the financial statements. The supplementary information is the Budgetary Comparison Schedule, which can be found on page 29.

## FINANCIAL ANALYSIS OF NASACT

The condensed information below was derived from NASACT's Statement of Net Assets at June 30, 2010, and June 30, 2009. The net assets at June 30, 2010, are \$2,075,907 an increase of \$137,396 over fiscal year 2009's net assets of \$1,938,511.

	Net Assets as of		Amount Change	% Change
	June 30, 2010	June 30, 2009		
Current assets	\$ 1,383,509	\$ 1,502,115	\$ (118,606)	-8%
Capital assets	685,173	717,135	(31,962)	-4%
Other assets	1,431,019	1,411,317	19,702	1%
Total assets	<u>3,499,701</u>	<u>3,630,567</u>	<u>(130,866)</u>	-4%
Current liabilities	1,340,919	1,457,485	(116,566)	-8%
Noncurrent liabilities	82,875	234,571	(151,696)	-65%
Total liabilities	<u>1,423,794</u>	<u>1,692,056</u>	<u>(268,262)</u>	-16%
Invested in capital assets	685,173	557,510	127,663	23%
Unrestricted net assets	1,390,734	1,381,001	9,733	1%
Total net assets	<u>\$ 2,075,907</u>	<u>\$ 1,938,511</u>	<u>\$ 137,396</u>	7%

Current assets includes cash, investments, deposits, accounts receivable, accrued interest receivable and prepaid expenses. Current assets at June 30, 2010, decreased by eight percent compared to FY 2009. Cash and current investments decreased by about \$90,000 partially due to the maturity dates of the Association's investments. Accounts receivable are \$27,000 lower compared to FY 2009 due to a decreased amount of peer review reimbursements owed to NASACT at year end.

Other assets consist of amounts that NASACT receives from the states for the financial support of the Governmental Accounting Standards Board, for the employee cafeteria plan, and for noncurrent investments. At June 30, 2010, the amount collected and due to the GASB was \$180,000 less than the amount due at June 30, 2009, due to the timing of payments to the GASB. Noncurrent investments increased by \$200,000. As mentioned above, the maturity dates shifted the classification of investments from current to noncurrent.

Total liabilities include accounts payable, salaries payable, GASB operations payable, employee cafeteria plan payable, deferred revenue, compensated absences and notes payable. Total liabilities decreased by 16 percent or \$268,000 for the year. GASB operations payable decreased about \$180,000 due to the timing of the payments to the GASB. Deferred revenue increased by approximately \$45,000. NASACT received more corporate associate revenue for the 2010 conference than it received during the same period in FY 2009.

The larger component of NASACT's net assets (67 percent) 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 one percent higher at June 30, 2010, than they were at June 30, 2009.

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, net assets invested in capital assets increased by approximately \$128,000 or 23 percent. At June 30, 2009, NASACT owed \$160,000 in debt which was netted against capital assets. The debt was paid off in FY 2010 causing the increase to net assets invested in capital assets at June 30, 2010.

The following condensed financial information was derived from NASACT's Statement of Revenues, Expenses and Changes in Net Assets for the years ended June 30, 2010, and June 30, 2009. 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 the Fiscal Year Ended June 30,		Amount Change	% Change
	2010	2009		
<b>Revenues</b>				
NASACT operating	\$ 538,925	\$ 543,925	\$ (5,000)	-1%
Conferences	634,560	663,815	(29,255)	-4%
Training seminars	162,600	147,480	15,120	10%
Technical services	218,531	195,500	23,031	12%
Administrative services	248,153	635,407	(387,254)	-61%
Cooperative efforts	78,038	52,174	25,864	50%
Contracts	73,160	69,081	4,079	6%
Miscellaneous	12,327	11,844	483	4%
Interest income	62,989	88,153	(25,164)	-29%
Total revenues	2,029,283	2,407,379	(378,096)	-16%
<b>Expenses</b>				
NASACT operating	685,997	676,263	9,734	1%
Conferences	451,013	578,722	(127,709)	-22%
Training seminars	114,645	103,770	10,875	10%
Technical services	238,959	263,913	(24,954)	-9%
Administrative services	263,785	649,627	(385,842)	-59%
Cooperative efforts	32,109	25,673	6,436	25%
Contracts	103,672	88,102	15,570	18%
Interest expense	1,707	8,902	(7,195)	-81%
Total expenses	1,891,887	2,394,972	(503,085)	-21%
Increase (decrease) in net assets	137,396	12,407	124,989	1007%
Net assets - beginning	1,938,511	1,926,104	12,407	1%
Net assets - ending	\$ 2,075,907	\$ 1,938,511	\$ 137,396	7%

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 \$538,925 for the current year, a one percent decrease from the previous fiscal year. NASACT operating expenses for fiscal year 2010 increased by one percent.

Conference revenues were \$634,560 in fiscal year 2010, a decrease of four percent or \$29,000 from the prior year. Fiscal year 2010 conference expenses decreased by 22 percent or about \$128,000 partly due to a decrease in meeting expense. These expenses vary by location and number of attendees.

Training seminars revenue was \$162,600 for FY 2010, an increase of \$15,000 or 10 percent from fiscal year 2009. The related training seminar expenses increased by about \$11,000 or ten percent. During fiscal year 2010, NASACT coordinated 12 seminars, as compared to eight during fiscal year 2009. Technical services revenue increased \$23,000 for FY 2010 mainly due to an increase in comptroller technical services fees. Related expenses for technical services decreased by \$25,000 attributed to a reduction in the amount of salaries and indirect costs associated with comptroller services. 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 consist of audio conferences/webinars offered for the benefit of members and non-members. The revenues for cooperative efforts increased \$26,000 or 50 percent compared to FY 2009. Related expenses increased \$6,000 or 25 percent. In conjunction with the Association of Government Accountants and the Association of Local Government Auditors five webinars were conducted during fiscal year 2010. NASACT shares profits with the abovementioned associations in the amount of \$75 per site registration for their respective members.

Contract revenue increased during the fiscal year by about \$4,000 or six percent. Related expenses increased by \$15,000. Expenses relating to contracts are for salaries and applied indirect costs.

Interest income decreased by 29 percent, or \$25,000, during fiscal year 2010. This decrease is caused by a continued decline in interest rates resulting in lower interest received on the Association's investments.

For fiscal year 2010, 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 2010 to implement salary adjustments on October 1, 2009.

NASACT's management is aware of the importance of reducing expenses and pursuing cost-saving techniques. During the past six or seven years, staff have aggressively pursued these initiatives. In recent fiscal years, staff 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 another challenging financial year during 2010. Due to the condition of the economy, states continue to prohibit travel by employees resulting in a decrease in conference attendance.

For fiscal year 2010, NASACT's budget projected an increase in net assets of \$9,580. Although NASACT's total revenues were somewhat lower than anticipated, expenses were much lower than budget leading the Association to finish the year with a positive change in net assets of over \$137,000. NASACT expects 2011 to be as challenging as 2010 with similar economic conditions. Through various cost-cutting measures and close management of expenses, NASACT expects to meet budget in FY 2011.

## **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, 2010**

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**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 771,413
Investments	500,000
Deposits held in custody by others	3,583
Accounts receivable	52,522
Accrued interest receivable	29,369
Prepaid expenses	26,622
Total current assets	<u>1,383,509</u>
Noncurrent assets:	
Restricted cash	631,019
Investments	800,000
Capital assets - building, net of accumulated depreciation	660,702
Capital assets - equipment, net of accumulated depreciation	24,471
Total noncurrent assets	<u>2,116,192</u>
Total assets	<u>\$ 3,499,701</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	\$ 120,525
Salaries payable	34,168
GASB operations payable	631,019
Employee cafeteria plan payable	445
Deferred revenue	531,134
Compensated absences	23,628
Total current liabilities	<u>1,340,919</u>
Noncurrent liabilities:	
Compensated absences	<u>82,875</u>
Total noncurrent liabilities	<u>82,875</u>
Total liabilities	<u>1,423,794</u>

**NET ASSETS**

Invested in capital assets, net of related debt	685,173
Unrestricted	<u>1,390,734</u>
Total net assets	<u>2,075,907</u>
Total liabilities and net assets	<u>\$ 3,499,701</u>

*The notes to the financial statements are an integral part of this statement.*

**National Association of State Auditors, Comptrollers and Treasurers  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Period Ended June 30, 2010**

<b>Operating Revenues:</b>	
State dues	\$ 538,625
Technical service fees	218,000
Corporate associates	370,500
Sponsor fees	54,000
Registration fees	417,951
Contract revenue	105,160
Administrative service reimbursements	184,147
Administrative service fees	64,006
Sale of publications	1,278
Miscellaneous revenue	12,327
Total operating revenues	<u>1,965,994</u>
<b>Operating Expenses:</b>	
Salaries	843,145
Employee benefits	196,959
Supplies	16,244
Postage and handling	4,055
Communication services	18,631
Copying	2,953
Repairs and maintenance	100
Continuing education	7,098
Consultant services	40,343
Consultant expenses	25,560
Staff travel	33,447
Executive committee/president expense	15,931
Meeting expense	325,004
Administrative service expense	196,709
Printing	7,964
Books and periodicals	3,038
Credit card fees	13,535
Miscellaneous	1,956
Professional membership dues	2,555
Banking service fees	2,921
Rent	59,058
Office condo association fees	9,792
Utilities	2,914
Janitorial services	2,500
Copier rental	4,408
Software support	12,244
Insurance	1,532
Auditing	4,372
Depreciation - building	19,197
Depreciation - equipment	15,715
Total operating expenses	<u>1,889,880</u>
Operating income (loss)	<u>76,114</u>
<b>Nonoperating revenues (expenses)</b>	
Interest and investment revenue	62,989
Interest expense	(1,707)
Total nonoperating revenues (expenses)	<u>61,282</u>
Change in net assets	137,396
Total net assets - beginning	1,938,511
Total net assets - ending	<u>\$ 2,075,907</u>

*The notes to the financial statements are an integral part of this statement.*

**National Association of State Auditors, Comptrollers and Treasurers**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

	Unrestricted Cash	Restricted Cash	Total Cash
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members	\$ 712,176	\$	\$ 712,176
Receipts from corporate associates	433,000		433,000
Receipts from sponsors	54,000		54,000
Receipts from participants	437,384		437,384
Receipts from contractors	86,904		86,904
Receipts from administrative service reimbursements	229,906		229,906
Receipts from administrative service fees	71,493		71,493
Receipts from sales of publications	1,278		1,278
Receipts for GASB		1,069,276	1,069,276
Receipts for cafeteria plan		8,646	8,646
Other receipts	12,327		12,327
Payments to vendors	(793,185)		(793,185)
Payments to employees	(1,030,459)		(1,030,459)
Payments to GASB		(1,250,000)	(1,250,000)
Payments to cafeteria plan participants		(8,220)	(8,220)
Net cash provided by operating activities	<u>214,824</u>	<u>(180,298)</u>	<u>34,526</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(2,507)		(2,507)
Interest paid on capital debt	(1,707)		(1,707)
Principal paid on capital debt	(159,625)		(159,625)
Net cash used by capital and related financing activities	<u>(163,839)</u>		<u>(163,839)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale and maturity of investments	500,000		500,000
Purchase of investments and securities	(500,000)		(500,000)
Interest and dividends	59,859		59,859
Net cash provided by investing activities	<u>59,859</u>		<u>59,859</u>
Net increase (decrease) in cash and cash equivalents	110,844	(180,298)	(69,454)
Balances - beginning of the year	660,569	811,317	1,471,886
Balances - end of the year	<u>\$ 771,413</u>	<u>\$ 631,019</u>	<u>\$ 1,402,432</u>
<b>Reconciliation of operating income to net cash provided</b>			
<b>by operating activities:</b>			
Operating income	\$ 76,114		
Adjustments to reconcile operating income to net cash provided			
by operating activities:			
Depreciation	34,912		
Change in assets and liabilities:			
Decrease in accounts receivable	26,758		
Decrease in prepaid expenses	5,398		
Increase in accounts payable	17,324		
Increase in salaries payable	1,546		
Increase in deferred revenue	44,670		
Increase in compensated absences	8,102		
Net cash provided by operating activities	<u>\$ 214,824</u>		

*The notes to the financial statements are an integral part of this statement.*

**National Association of State Auditors, Comptrollers and Treasurers**  
**Notes to the Financial Statements**  
**June 30, 2010**

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**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.

**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 the 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 2010 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, 2010**

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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, 2010, the Association had the following investments and securities:

Deposit Type	Fair Value
Cash:	
Demand	\$ 1,402,432
Investments:	
Certificates of deposit	1,300,000
Total	2,702,432
Net withdrawals and deposits in transit	7,178
Total cash and investments in bank	\$ 2,709,610

**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, 2010, \$68,617 of the Association's total bank deposits were exposed to custodial credit risk because this portion was uninsured and uncollateralized. As of September 2, 2010, the Association obtained additional collateral to sufficiently collateralize all bank deposits.

**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 two-thirds of the total net assets. As of June 30, 2010, the Association had six 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:

Contracts	\$ 26,547
Training	13,250
Dues	7,000
Registrations	4,139
Reimbursements	1,586
Accounts receivable, June 30, 2010	\$ 52,522

**National Association of State Auditors, Comptrollers and Treasurers**  
**Notes to the Financial Statements**  
**June 30, 2010**

**Note 4 Capital Assets**

The Association's investment in capital assets as of June 30, 2010, totals \$685,173 (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, 2010, is summarized below:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets				
Building	\$ 748,689	\$	\$	\$ 748,689
Furniture	22,683			22,683
Equipment	74,899	2,950	11,994	65,855
Software	47,201		22,828	24,373
Total capital assets	<u>893,472</u>	<u>2,950</u>	<u>34,822</u>	<u>861,600</u>
Less accumulated depreciation				
Building	68,789	19,197		87,986
Furniture	11,140	2,269		13,409
Equipment	57,507	7,692	11,994	53,205
Software	38,901	5,754	22,828	21,827
Total accumulated depreciation	<u>176,337</u>	<u>34,912</u>	<u>34,822</u>	<u>176,427</u>
Capital assets, net	<u>\$ 717,135</u>	<u>\$ (31,962)</u>	<u>\$</u>	<u>\$ 685,173</u>

**Note 5 Accounts Payable**

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

Vendors	\$ 87,042
Benchmarking	22,000
Payroll taxes	6,452
Retirement	<u>5,031</u>
Accounts payable, June 30, 2010	<u>\$ 120,525</u>

**Note 6 Compensated Absences**

Compensated absences activity for the year ended June 30, 2010, is summarized below. Of this amount, \$23,628 is considered a current liability.

Compensated absences, July 1, 2009	\$ 98,401
Additions	80,237
Deletions	<u>(72,135)</u>
Compensated absences, June 30, 2010	<u>\$ 106,503</u>

**National Association of State Auditors, Comptrollers and Treasurers**  
**Notes to the Financial Statements**  
**June 30, 2010**

**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, 2010:

Year Ending June 30	Office Space	Copier	Total
2011	\$ 51,602	\$ 4,248	\$ 55,850
2012	52,861	4,248	57,109
2013	54,156	2,124	56,280
2014	32,039		32,039
Total future minimum lease payments	<u>\$ 190,658</u>	<u>\$ 10,620</u>	<u>\$ 201,278</u>

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

	For the Year Ended June 30, 2010
Minimum rentals:	
Washington	\$ 50,893
Copier	4,408
Total	<u>\$ 55,301</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 percent fixed interest rate and is amortized over 20 years. The loan was paid in full on August 24, 2009.

Note payable activity for the year ended June 30, 2010, is summarized below.

Note payable, July 1, 2009	\$ 159,625
Additions	
Deletions	159,625
Note payable, June 30, 2010	<u>\$ -</u>

**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 five percent of gross wages and the Association contributes 10 percent of gross wages. Previously, the Association matched additional employee contributions up to four percent. The Association's Executive Committee voted in March 2010 to increase the additional match to 5 percent. 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 percent. 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.

**National Association of State Auditors, Comptrollers and Treasurers**  
**Notes to the Financial Statements**  
**June 30, 2010**

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For the year ended June 30, 2010, the Association had a total payroll of \$843,145, of which \$837,226 was covered by the plan. Employee contributions for the plan years ending June 30, 2010, 2009, and 2008, were \$103,360, \$127,616, and \$120,421, respectively. Employer contributions for the plan years ending June 30, 2010, 2009, and 2008 were \$116,872, \$115,777, and \$110,712, 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, 2010. 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 are funded by the interest earned on the training fund; the principal will remain intact.

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## Required Supplementary Information

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**National Association of State Auditors, Comptrollers and Treasurers  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Operating Revenues:</b>				
State dues	\$ 520,000	\$ 520,000	\$ 538,625	\$ 18,625
Technical service fees	205,000	205,000	218,000	13,000
Corporate associates	350,000	350,000	370,500	20,500
Sponsor fees	55,000	55,000	54,000	(1,000)
Registration fees	421,120	421,120	417,951	(3,169)
Contract revenue	144,500	144,500	105,160	(39,340)
Administrative service reimbursements	414,000	414,000	184,147	(229,853)
Administrative service fees	75,520	75,520	64,006	(11,514)
Sale of publications	200	200	1,278	1,078
Miscellaneous revenue	13,000	13,000	12,327	(673)
Total operating revenues	2,198,340	2,198,340	1,965,994	(232,346)
<b>Operating Expenses:</b>				
Salaries	843,230	863,099	843,145	19,954
Employee benefits	219,239	222,309	196,959	25,350
Supplies	20,525	20,525	16,244	4,281
Postage and handling	6,510	6,510	4,055	2,455
Communications services	18,900	18,900	18,631	269
Copying	13,430	13,430	2,953	10,477
Repairs and maintenance	2,000	2,000	100	1,900
Continuing education	2,000	2,000	7,098	(5,098)
Consultant services	71,000	71,000	40,343	30,657
Consultant expenses	32,100	32,100	25,560	6,540
Staff travel	46,050	46,050	33,447	12,603
Executive committee/president expense	16,000	16,000	15,931	69
Meeting expense	369,225	369,225	325,004	44,221
Administrative service expense	414,000	414,000	196,709	217,291
Printing	4,525	4,525	7,964	(3,439)
Books and periodicals	3,800	3,800	3,038	762
Credit card fees	13,660	13,660	13,535	125
Miscellaneous	7,450	7,450	1,956	5,494
Professional membership dues	200	200	2,555	(2,355)
Banking service fees	3,000	3,000	2,921	79
Rent	55,000	55,000	59,058	(4,058)
Condominium association fees	9,500	9,500	9,792	(292)
Utilities	3,000	3,000	2,914	86
Janitorial services	2,600	2,600	2,500	100
Copier rental	4,300	4,300	4,408	(108)
Software support	12,500	12,500	12,244	256
Insurance	1,750	1,750	1,532	218
Legal	3,000	3,000	-	3,000
Auditing	2,700	2,700	4,372	(1,672)
Depreciation - Building	19,197	19,197	19,197	-
Depreciation - Equipment	19,960	19,960	15,715	4,245
Total operating expenses	2,240,351	2,263,290	1,889,880	373,410
Operating income (loss)	(42,011)	(64,950)	76,114	141,064
<b>Nonoperating revenues (expenses)</b>				
Interest and investment revenue	83,530	83,530	62,989	(20,541)
Interest expense	(9,000)	(9,000)	(1,707)	7,293
Total nonoperating revenues (expenses)	74,530	74,530	61,282	(13,248)
Change in net assets	32,519	9,580	137,396	127,816
Total net assets - beginning	1,938,511	1,938,511	1,938,511	-
Total net assets - ending	\$ 1,971,030	\$ 1,948,091	\$ 2,075,907	\$ 127,816

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## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### **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***

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

We have audited the financial statements of the business-type activities of the National Association of State Auditors, Comptrollers and Treasurers (NASACT) as of and for the year ended June 30, 2010, which collectively comprise NASACT's basic financial statements and have issued our report thereon dated September 3, 2010. 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 NASACT's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NASACT's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NASACT's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of NASACT's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether NASACT's financial statements are free of material misstatement, we performed tests of its 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, NASACT's management and Executive Director and is not intended to be and should not be used by anyone other than these specified parties.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Tom Bullington". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tom E. Bullington, CPA  
2010 NASACT Audit Team Leader

Little Rock, Arkansas  
September 3, 2010

# Statistical Section

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**National Association of State Auditors, Comptrollers and Treasurers**  
**Statistical Section**  
**For the Fiscal Year Ended June 30, 2010**

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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..... 36**

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..... 38**

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..... 42**

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

**Demographic Information..... 43**

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..... 43**

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 2002-2010 is provided.

**National Association of State Auditors, Comptrollers and Treasurers  
Statistical Section  
For the Fiscal Year Ended June 30, 2010**

Financial Trend Information - Net Assets									
Last Nine Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 685,173	\$ 557,510	\$ 587,342	\$ 598,231	\$ 629,463	\$ 52,783	\$ 42,440	\$ 42,091	\$ 38,810
Unrestricted	<u>1,390,734</u>	<u>1,381,001</u>	<u>1,338,762</u>	<u>1,072,087</u>	<u>679,187</u>	<u>1,006,018</u>	<u>707,277</u>	<u>503,495</u>	<u>491,422</u>
Total net assets	<u>\$ 2,075,907</u>	<u>\$ 1,938,511</u>	<u>\$ 1,926,104</u>	<u>\$ 1,670,318</u>	<u>\$ 1,308,650</u>	<u>\$ 1,058,801</u>	<u>\$ 749,717</u>	<u>\$ 545,586</u>	<u>\$ 530,232</u>

**National Association of State Auditors, Comptrollers and Treasurers**  
**Statistical Section**  
**For the Fiscal Year Ended June 30, 2010**

<b>Financial Trend Information - Changes in Net Assets</b>									
<b>Last Nine Fiscal Years</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Operating Revenues</b>									
NASACT operating	\$ 538,925	\$ 543,925	\$ 551,825	\$ 540,151	\$ 528,151	\$ 506,767	\$ 501,930	\$ 422,655	\$ 333,214
Conferences	634,560	663,815	796,655	735,900	755,785	641,715	718,750	596,060	701,427
Training seminars	162,600	147,480	236,124	148,435	178,000	127,950	118,025	115,550	86,400
Technical services	218,531	195,500	192,000	188,600	186,300	189,800	188,900	183,475	184,975
Administrative services	248,153	635,407	1,630,812	1,313,699	848,851	161,448	219,586	188,989	163,771
Cooperative efforts	78,038	52,174	55,723	70,430	79,887	75,371	75,369	86,494	250,384
Contracts	73,160	69,081	114,597	125,322	197,913	416,815	238,310	229,388	165,400
Miscellaneous	12,027	11,848	12,332	12,589	13,005	12,621	20,152	12,252	14,347
<b>Total operating revenues</b>	<b>1,965,994</b>	<b>2,319,230</b>	<b>3,590,068</b>	<b>3,135,126</b>	<b>2,787,892</b>	<b>2,132,487</b>	<b>2,081,022</b>	<b>1,834,863</b>	<b>1,899,918</b>
<b>Operating Expenses</b>									
NASACT operating	685,697	676,267	672,173	632,023	694,839	554,009	732,860	734,999	763,328
Conferences	451,013	578,722	583,759	447,869	524,148	430,697	404,021	373,468	469,241
Training seminars	114,645	103,770	173,222	113,667	136,649	92,014	81,381	85,171	52,128
Technical services	238,959	263,913	223,522	196,627	168,107	203,968	169,655	158,260	161,429
Administrative services	263,785	649,627	1,612,061	1,291,079	856,843	149,820	202,553	185,450	155,883
Cooperative efforts	32,109	25,673	19,626	12,150	19,805	30,109	42,298	80,321	248,609
Contracts	103,672	88,102	147,641	161,875	196,661	396,383	252,834	220,050	146,085
<b>Total operating expenses</b>	<b>1,889,880</b>	<b>2,386,074</b>	<b>3,432,004</b>	<b>2,855,290</b>	<b>2,597,052</b>	<b>1,857,000</b>	<b>1,885,602</b>	<b>1,837,719</b>	<b>1,996,703</b>
Operating income (loss)	76,114	(66,844)	158,064	279,836	190,840	275,487	195,420	(2,856)	(96,785)
<b>Nonoperating Revenues (Expenses)</b>									
Interest revenue	62,989	88,153	106,648	90,733	68,979	33,598	12,913	18,209	29,086
Interest expense	(1,707)	(8,902)	(8,926)	(8,901)	(9,871)				
Loss on disposal of assets							(4,203)		
<b>Nonoperating income (loss)</b>	<b>61,282</b>	<b>79,251</b>	<b>97,722</b>	<b>81,832</b>	<b>59,108</b>	<b>33,598</b>	<b>8,710</b>	<b>18,209</b>	<b>29,086</b>
<b>Change in net assets</b>	<b>\$ 137,396</b>	<b>\$ 12,407</b>	<b>\$ 255,786</b>	<b>\$ 361,668</b>	<b>\$ 249,948</b>	<b>\$ 309,085</b>	<b>\$ 204,130</b>	<b>\$ 15,353</b>	<b>\$ (67,699)</b>

**National Association of State Auditors, Comptrollers and Treasurers  
Statistical Section  
For the Fiscal Year Ended June 30, 2010**

<b>Revenue Information - Membership Dues</b>										
<b>Last Nine Fiscal Years</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	
Dues billed	\$ 702,000	\$ 697,000	\$ 692,000	\$ 691,500	\$ 649,000	\$ 632,375	\$ 622,375	\$ 527,250	\$ 392,500	
Dues paid by members	538,625	543,625	551,625	540,125	526,975	506,575	496,800	418,625	332,500	
<b>Membership dues per tier</b>										
1 (staff > 500)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	N/A
2 (staff 300 - 499)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	3,500	N/A
3 (staff 175 - 299)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,250	N/A
4 (staff 100 - 174)	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,000	N/A
5 (staff < 100)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,750	N/A

**NOTE**

The current dues structure was instituted in fiscal year 2003.

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Revenue Information - Registration Fees Last Nine Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Registration revenue</b>									
Audio conferences/webinars	\$ 77,291	\$ 50,539	\$ 54,134	\$ 53,188	\$ 74,305	\$ 68,078	\$ 69,821	\$ 13,022	\$ 22,460
NASACT <sup>a</sup>	82,875	121,100	136,750	98,825	120,875	99,390	87,600	73,244	290,919
NASC	20,950	16,400	26,500	26,100	18,550	27,750	22,750	26,245	48,890
NSAA	69,975	76,220	115,100	102,730	105,805	105,075	96,900	79,750	85,575
NSAA/NASC	36,260	31,595	46,805	64,995	57,055				
State and local conference								73,150	65,910
Tennessee training seminars	130,600	132,480	113,875	113,435	81,100	93,200	92,375	79,150	70,650
<b>Total registration revenue</b>	<b>\$ 417,951</b>	<b>\$ 428,334</b>	<b>\$ 493,164</b>	<b>\$ 459,273</b>	<b>\$ 457,690</b>	<b>\$ 393,493</b>	<b>\$ 369,446</b>	<b>\$ 344,561</b>	<b>\$ 584,404</b>
<b>Number of conferences held</b>									
Audio conferences/webinars	5	4	4	4	5	4	3	1	1
NASACT	1	2	2	2	2	2	2	2	3
NASC	1	1	2	2	2	4	3	5	6
NSAA	2	2	3	4	4	5	4	3	3
NSAA/NASC	1	1	1	1	1				
State and local conference								1	1
Tennessee training seminars	4	4	4	4	4	4	4	4	4
<b>Total number of conferences held</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>16</b>	<b>16</b>	<b>18</b>
<b>Number of attendees</b>									
Audio conferences/webinars <sup>b</sup>	282	231	196	200	308	284	287	53	90
NASACT	301	302	332	316	350	329	280	265	351
NASC	91	98	147	164	169	223	191	329	294
NSAA	143	257	372	317	395	364	311	351	266
NSAA/NASC	98	92	135	186	174				
State and local conference								182	169
Tennessee training seminars	523	539	491	518	456	492	487	439	429
<b>Total number of attendees</b>	<b>1,438</b>	<b>1,519</b>	<b>1,673</b>	<b>1,701</b>	<b>1,852</b>	<b>1,692</b>	<b>1,556</b>	<b>1,619</b>	<b>1,599</b>
<b>CPE credits issued</b>									
Audio conferences/webinars	7,330	4,878	5,792	6,170	6,728	6,712	6,452	1,034	1,069
NASACT	992	1,630	1,581	1,711	2,057	1,691	1,102	890	1,590
NASC	855	565	889	907	734	922	717	958	1,510
NSAA	2,318	3,493	4,860	4,010	4,731	4,594	3,958	2,593	3,357
NSAA/NASC	1,590	1,433	1,989	2,886	2,305				
Tennessee training seminars	7,342	8,066	7,425	7,540	6,794	8,073	7,710	7,101	5,997
<b>Total CPE credits issued</b>	<b>20,427</b>	<b>20,065</b>	<b>22,536</b>	<b>23,224</b>	<b>23,349</b>	<b>21,992</b>	<b>19,939</b>	<b>12,576</b>	<b>13,523</b>

**NOTES**

- <sup>a</sup> Fiscal year 2002 includes a GASB 34 teleconference  
<sup>b</sup> Registrations for audio conferences are by site, not by individual attendee.

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Revenue Information - Contract Revenue									
Last Nine Fiscal Years	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Contract revenue</b>									
AGA	\$	\$	\$	\$	\$	\$ 20,000	\$	\$	\$
ALGA	73,160	69,081	61,380	46,822	42,562	38,800	38,163	38,763	41,200
eC3			53,217	78,500	127,250	164,200	164,200	164,200	124,200
ICGFM					12,000	17,250	20,000	20,000	
Training seminars	32,000	15,000	122,249	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			
<b>Total contract revenue</b>	<b>\$ 105,160</b>	<b>\$ 84,081</b>	<b>\$ 236,846</b>	<b>\$ 160,322</b>	<b>\$ 278,713</b>	<b>\$ 451,565</b>	<b>\$ 263,960</b>	<b>\$ 265,788</b>	<b>\$ 181,150</b>
<b>Types of services contracted</b>									
AGA									T
ALGA	A, C, F	A, C, F	A, C, F	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, C, F, I	A, F, I
ICGFM					A	A, C	A, C	A, C	
Training seminars	T	T	T	T	T	T	T	T	T
Urban Institute						I, T	I, T	I, T	
U.S. Department of State						A, F, T			
<b>Number of contracts</b>									
AGA						1			
ALGA	1	1	1	1	1	1	1	1	1
eC3			2	2	2	2	2	2	1
ICGFM					1	1	1	2	
Training seminars	11	6	18	7	20	7	5	7	3
Urban Institute						1	1	1	
U.S. Department of State						1			
<b>Total number of contracts</b>	<b>12</b>	<b>7</b>	<b>21</b>	<b>10</b>	<b>24</b>	<b>14</b>	<b>10</b>	<b>13</b>	<b>5</b>

**KEY**

- A Administrative
- C Conference
- F Financial
- I Information technology
- T Technical

**National Association of State Auditors, Comptrollers and Treasurers  
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<b>Revenue Information - Corporate Associates Program</b>							
<b>Last Seven Fiscal Years <sup>a</sup></b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Corporate associates revenue per level</b>							
Bronze	\$ 72,500	\$ 65,000	\$ 70,000	\$ 95,000	\$ 90,000	\$ 65,000	\$ 75,000
Silver	114,500	112,500	125,000	112,500	112,500	87,500	100,000
Gold	50,000	75,000	75,000	75,000	75,000	75,000	200,000
Platinum	130,000	90,000	90,000	80,000	90,000	80,000	80,000
Other	3,500	11,500	57,000	10,750	16,000	44,000	2,500
<b>Total corporate associates revenue</b>	<b>\$ 370,500</b>	<b>\$ 354,000</b>	<b>\$ 417,000</b>	<b>\$ 373,250</b>	<b>\$ 383,500</b>	<b>\$ 351,500</b>	<b>\$ 457,500</b>
<b>Corporate associates levels</b>							
Bronze	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Silver	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Gold	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Platinum <sup>b</sup>	40,000	40,000	40,000	40,000	40,000	40,000	-
<b>Corporate associates per level</b>							
Bronze	14	13	14	19	18	13	15
Silver	9	9	10	9	9	7	8
Gold	2	3	3	3	3	3	8
Platinum	3	2	2	2	2	2	2
Other	3	4	5	7	7	20	1
<b>Total number of corporate associates</b>	<b>31</b>	<b>31</b>	<b>34</b>	<b>40</b>	<b>39</b>	<b>45</b>	<b>34</b>

**NOTES**

- <sup>a</sup> Only seven years of data are presented for the Corporate Associates Program because the program was established during fiscal year 2004.  
<sup>b</sup> Platinum level is \$40,000 and above. This level was established in 2005.

**National Association of State Auditors, Comptrollers and Treasurers  
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Debt Information <sup>a</sup> Last Five Fiscal Years	2010	2009	2008	2007	2006
Capital debt, beginning balance	\$ 159,625	\$ 159,625	\$ 159,625	\$ 159,625	\$ -
Capital debt incurred					355,000
Capital debt principal payments	159,625				195,375
Capital debt, ending balance	\$ -	\$ 159,625	\$ 159,625	\$ 159,625	\$ 159,625
Capital debt per dues paying member	\$ -	\$ 1,200	\$ 1,174	\$ 1,183	\$ -
Capital debt incurred					2,630
Capital debt principal payments					1,447
Capital debt per dues paying member	\$ -	\$ 1,200	\$ 1,174	\$ 1,183	\$ 1,183

**NOTE**

<sup>a</sup> Prior to fiscal year 2006 NASACT had no capital debt.

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<b>Demographic Information</b>									
<b>Last Nine Fiscal Years</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Membership by category</b>									
Auditor	55	56	53	55	55	55	55	57	62
Comptroller	55	50	52	51	52	50	47	51	52
Treasurer	24	27	30	28	28	29	28	25	29
<b>Total membership</b>	<b>134</b>	<b>133</b>	<b>135</b>	<b>134</b>	<b>135</b>	<b>134</b>	<b>130</b>	<b>133</b>	<b>143</b>
<b>Operating Information - Full-Time Equivalents</b>									
<b>Last Nine Fiscal Years</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
NASACT operating	7.13	7.27	6.69	6.82	7.10	6.67	7.18	9.18	8.80
Conferences	1.08	1.44	1.46	1.43	1.27	1.45	1.31	0.67	0.86
Training seminars	0.21	0.10	0.23	0.23	0.27	0.11	0.10	0.10	0.10
Technical services	1.70	1.81	1.44	1.34	1.34	1.76	1.66	1.45	1.68
Administrative services	0.76	0.68	0.57	0.77	0.82	0.49	0.67	0.51	0.43
Cooperative efforts	0.10	0.10	0.07	0.02	0.12	0.14	0.13	0.06	0.21
Contracts	1.11	1.00	1.42	1.42	1.52	2.62	2.52	2.25	1.54
<b>Total full-time equivalents</b>	<b>12.09</b>	<b>12.40</b>	<b>11.88</b>	<b>12.03</b>	<b>12.44</b>	<b>13.24</b>	<b>13.57</b>	<b>14.22</b>	<b>13.62</b>

**National Association of State Auditors, Comptrollers and Treasurers  
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<b>Operating Information - Employee Count Last Nine Fiscal Years</b>									
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total employee count	13	13	13	13	13	14	14	15	14

<b>Operating Information - Capital Assets Last Nine Fiscal Years</b>									
	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Capital assets by classification</b>									
Building	\$ 660,703	\$ 679,900	\$ 699,097	\$ 718,294	\$ 737,491	\$	\$	\$	
Furniture	9,274	11,543	13,811	16,080	18,348	10,245	11,526		
Equipment	12,650	17,392	16,512	10,272	16,904	20,456	22,184	32,535	10,400
Software	2,546	8,300	17,547	13,210	16,345	22,082	8,730	9,557	28,410
<b>Total capital assets by classification</b>	<b>\$ 685,173</b>	<b>\$ 717,135</b>	<b>\$ 746,967</b>	<b>\$ 757,856</b>	<b>\$ 789,088</b>	<b>\$ 52,783</b>	<b>\$ 42,440</b>	<b>\$ 42,092</b>	<b>\$ 38,810</b>

<b>Building</b>									
Square footage	5,200	5,200	5,200	5,200	5,200				
<b>Equipment</b>									
Laptops	10	9	10	8	8	8	7	7	5
Desktops	3	4	5	7	7	9	11	12	12
Servers	1	1	1	1	1	1	1	1	1
Software applications	8	8	8	7	7	5	5	5	3