

**NATIONAL SCHOOL  
FOUNDATION ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2006**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
National School Foundation Association, Inc.  
Des Moines, Iowa

We have audited the accompanying statement of financial position of the National School Foundation Association, Inc. (the Association) as of June 30, 2006 and the related statement of activities and cash flows for the year then ended. 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. 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 June 30, 2006 financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Brooks Lodden, P.C.*

West Des Moines, Iowa  
September 13, 2006

NATIONAL SCHOOL FOUNDATION ASSOCIATION, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2006

**Public support and revenue:**

Convention and sponsorship income	\$	49,343
Consultation professional services		9,090
Interest income		7
		<hr/>
Total public support and revenues	\$	58,440
		<hr/>
<b>Expenses:</b>		
Program	\$	51,892
Administrative		158,590
		<hr/>
Total expenses	\$	210,482
		<hr/>
Change in net assets	\$	(152,042)
Net assets at beginning of year		<hr/>
		-
Net assets (deficit) at end of year	\$	<hr/> <hr/> (152,042)

*See Notes to Financial Statements.*

NATIONAL SCHOOL FOUNDATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

**Note 1. Nature of Organization and Significant Accounting Policies**

**Nature of the organization:**

National School Foundation Association, Inc. (the Association) is a nonprofit corporation and is operated exclusively for charitable, informational, and educational purposes. The purpose for which the Association was formed and the objectives to be carried on and promoted by it is to assist with the design and implementation of school foundations. The Association is related with the Iowa Association of Schools Boards and Local Government Services, Inc. by virtue of common management and board of directors. The Association organizes conferences and provides consultation services to assist schools in developing or improving their respective foundations.

**A summary of the organization's significant accounting policies follows:**

**Classification of net assets:**

**Unrestricted** - assets that are neither permanently nor temporarily restricted by donor-imposed stipulations. The organization's governing board may earmark portions of its unrestricted net assets as board-designated for various purposes.

**Temporarily restricted** - assets resulting from contributions and other inflows of assets whose use by the organization is limited to donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the organization meeting the purpose of the restriction. The organization has no such assets.

**Permanently restricted** - assets resulting from contributions, which are permanently restricted by donors. Although such assets may not be expended, the investment income earned on them is generally to be expended for a specific purpose. The organization has no such assets.

**Use of estimates:**

The preparation of the statement of financial position in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

**Cash and cash equivalents:**

The organization considers all unrestricted deposits, including savings and money market accounts with maturities of three months or less, to be cash equivalents.