



MATTHEWS, CARTER AND BOYCE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	Page
Audited Financial Statements	
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Cash Flows	5
Notes to Financial Statements	6-8
Other Financial Information	
Independent Auditors' Report on Other Financial Information	9
Combined Schedule of Activities	10-12



MATTHEWS, CARTER AND BOYCE, P.C.
certified public accountants

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 424,642	\$ 367,948
Investments	688,575	2,170,864
Accounts and other receivables, net of allowance for doubtful accounts of \$5,000 in both 2008 and 2007	34,463	16,680
Inventory	18,058	20,184
Prepaid expenses and other	<u>31,795</u>	<u>204,369</u>
Total Current Assets	<u>\$ 1,197,533</u>	<u>\$ 2,780,045</u>
PROPERTY AND EQUIPMENT		
Land	\$ 231,818	\$ 231,818
Building and improvements	934,798	934,798
Computer equipment	453,172	442,318
Office furniture and equipment	<u>115,139</u>	<u>112,740</u>
	\$ 1,734,927	\$ 1,721,674
Less, allowances for depreciation	<u>(1,165,182)</u>	<u>(1,053,941)</u>
Property and Equipment, Net	<u>\$ 569,745</u>	<u>\$ 667,733</u>
INVESTMENTS, LONG-TERM	<u>\$ 1,615,000</u>	<u>\$ 855,000</u>
TOTAL ASSETS	<u><u>\$ 3,382,278</u></u>	<u><u>\$ 4,302,778</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 248,607	\$ 212,015
Accrued expenses and other liabilities	78,362	90,625
Deferred membership and other revenue	<u>952,035</u>	<u>847,996</u>
Total Current Liabilities	<u>\$ 1,279,004</u>	<u>\$ 1,150,636</u>
NET ASSETS		
Unrestricted net assets	\$ 2,013,274	\$ 3,062,142
Temporarily restricted net assets	<u>90,000</u>	<u>90,000</u>
Total Net Assets	<u>\$ 2,103,274</u>	<u>\$ 3,152,142</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,382,278</u></u>	<u><u>\$ 4,302,778</u></u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED MARCH 31, 2008 AND 2007

	2008		
	Unrestricted	Temporarily Restricted	Total
REVENUES			
Governance and administration	\$ 171,786	\$ -	\$ 171,786
Board of directors	34,400	-	34,400
Membership	963,659	-	963,659
Programs	117,598	90,000	207,598
Leadership conference	96,110	-	96,110
Affiliate visitations	5,000	-	5,000
Meritorious budget awards	128,675	-	128,675
Certificate of excellence	404,710	-	404,710
Grants and contracts	213,805	-	213,805
Continuing education	51,929	-	51,929
Annual meeting	703,740	-	703,740
Exhibits	374,745	-	374,745
Periodicals	305,160	-	305,160
Books and publications	100,389	-	100,389
Net assets released from restrictions:			
Satisfaction of program and time restrictions	90,000	(90,000)	-
Total Revenues	<u>\$ 3,761,706</u>	<u>\$ -</u>	<u>\$ 3,761,706</u>
EXPENSES			
Governance and administration	\$ 866,411	\$ -	\$ 866,411
Board of directors	200,920	-	200,920
Building operations	158,121	-	158,121
Government and public affairs	96,372	-	96,372
Membership	333,326	-	333,326
Programs	439,867	-	439,867
Leadership conference	145,675	-	145,675
Research committees	100,108	-	100,108
Affiliate visitation	96,957	-	96,957
Meritorious budget awards	53,543	-	53,543
Certificate of excellence	165,533	-	165,533
Grants and contracts	166,197	-	166,197
Continuing education	172,311	-	172,311
Annual meeting	802,850	-	802,850
Exhibits	441,960	-	441,960
Periodicals	445,973	-	445,973
Books and publications	124,450	-	124,450
Total Expenses	<u>\$ 4,810,574</u>	<u>\$ -</u>	<u>\$ 4,810,574</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (1,048,868)	\$ -	\$ (1,048,868)
NET ASSETS, BEGINNING OF YEAR	3,062,142	90,000	3,152,142
NET ASSETS, END OF YEAR	<u>\$ 2,013,274</u>	<u>\$ 90,000</u>	<u>\$ 2,103,274</u>

The accompanying notes are an integral part of these financial statements.

2007

Unrestricted	Temporarily Restricted	Total
\$ 164,386	\$ -	\$ 164,386
29,000	-	29,000
852,238	-	852,238
237,727	90,000	327,727
104,790	-	104,790
-	-	-
121,250	-	121,250
419,213	-	419,213
218,311	-	218,311
36,683	-	36,683
643,400	-	643,400
426,200	-	426,200
253,040	-	253,040
68,105	-	68,105
20,000	(20,000)	-
<u>\$ 3,594,343</u>	<u>\$ 70,000</u>	<u>\$ 3,664,343</u>
\$ 852,258	\$ -	\$ 852,258
286,547	-	286,547
155,070	-	155,070
30,047	-	30,047
219,134	-	219,134
275,357	-	275,357
161,779	-	161,779
53,598	-	53,598
36,338	-	36,338
31,847	-	31,847
143,445	-	143,445
157,359	-	157,359
124,873	-	124,873
523,832	-	523,832
258,846	-	258,846
421,335	-	421,335
63,959	-	63,959
<u>\$ 3,795,624</u>	<u>\$ -</u>	<u>\$ 3,795,624</u>
\$ (201,281)	\$ 70,000	\$ (131,281)
<u>\$ 3,263,423</u>	<u>20,000</u>	<u>3,283,423</u>
<u>\$ 3,062,142</u>	<u>\$ 90,000</u>	<u>\$ 3,152,142</u>

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2008 AND 2007

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,048,868)	\$ (131,281)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Charges to expenses not affecting cash:		
Depreciation	111,378	133,441
Unrealized gain on investments	(37,711)	(25,075)
Realized loss on investments	1,103	-
Effect of changes in revenue and expense accruals:		
Accounts and other receivables, net	(17,783)	22,016
Inventory	2,126	2,443
Prepaid expenses and other	172,574	(149,605)
Accounts payable, accrued expenses and other liabilities	24,329	168,742
Deferred membership and other revenue	104,039	(7,166)
	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	\$ (688,813)	\$ 13,515
	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	\$ (13,390)	\$ (108,272)
Purchases of investments	(1,520,000)	(665,000)
Sales of investments	2,278,897	950,000
	<u> </u>	<u> </u>
Net Cash Provided by Investing Activities	\$ 745,507	\$ 176,728
	<u> </u>	<u> </u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 56,694	\$ 190,243
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>367,948</u>	<u>177,705</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 424,642</u>	<u>\$ 367,948</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

Note 1. Summary of Significant Accounting Policies

Introduction

Association of School Business Officials International (the Association) is an association of individuals involved in the management of school business services who are dedicated to the professional stewardship of the investment in education.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Risk

Cash and cash equivalent balances held in financial institutions are insured by the FDIC up to \$100,000. At times, cash and cash equivalent balances may be in excess of the FDIC insurance limit.

Membership Dues

The payment of regular dues entitles an individual to membership privileges in the Association for a 12-month period. Dues received are initially recorded as deferred revenue. Such dues are recognized as revenue on a straight-line method over a 12-month period from the member's anniversary date.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all money market funds and certificates of deposit with a maturity of 60 days or less as cash equivalents.

Investments

The investment balance consists of several certificates of deposit with maturity dates greater than 60 days or those certificates of deposit which management intends to hold long-term and are reported at fair market value on the statements of financial position. Those with maturities greater than one year are classified as long-term. Interest income for the years ended March 31, 2008 and 2007 totaled \$135,178 and \$139,061, respectively. For the years ended March 31, 2008 and 2007 the Association recognized \$ 37,711 and \$25,075 of unrealized gains and (\$1,103) and \$0 of realized loss on investments, respectively.

Property and Equipment

Significant additions to property and equipment are capitalized on the basis of cost. Depreciation is calculated on the straight-line method. The headquarters building is being depreciated over a 33-year useful life, with improvements depreciated over a 10-year life. Office furniture and equipment are being depreciated over 5 years. Computer equipment is being depreciated over 3 to 7 years. Depreciation expense for the years ended March 31, 2008 and 2007 totaled \$ 111,378 and \$133,441, respectively.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

Note 1. Summary of Significant Accounting Policies (Concluded)

Accounts Receivable

The Association grants credit terms in the normal course of business to members, subscribers, exhibitors and other customers throughout the United States.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts.

Allowance for doubtful accounts on trade accounts receivable is made in amounts required to maintain an adequate allowance to cover anticipated bad debts. Trade receivables are charged against the allowance or revenues when it is determined by the Association that payment will not be received. At year-end, the allowance is evaluated by management based on review of the accounts receivable.

Deferred Revenue – Exhibitor Fees

Annual meeting exhibit fees received in advance are recorded as deferred revenue and recognized as revenue in the fiscal year the meeting is held.

Inventory

Inventory consists of publications and is stated at the lower of average cost or market. As of November 2002, the Association entered into an agreement with Scarecrow Press to house inventory and process customer orders. Inventory held by the Association at that time was transferred to the publishing house and is held on consignment. For transferred inventory, the Association will receive 50% of the selling price as a commission. Once the initial transferred inventory of a publication has been depleted, Scarecrow will reprint and hold as their own inventory. The Association will receive a commission of 20% of the selling price on reprints.

Income Taxes

The Association is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, but is required to file an annual information return and is subject to tax on unrelated business income.

Advertising Costs

The Association expenses advertising costs as incurred.

Note 2. Retirement Plan

A tax deferred annuity is available to each full time employee who has completed one year of employment. The employer contributions are equal to 10% of gross compensation for all employees hired prior to August 1, 1993. Employer contributions for the executive director are equal to 10% of gross compensation, as stipulated in the employment contract. Employer contributions for all other employees hired on or after August 1, 1993 are equal to 6% of gross compensation. Employer contributions for the years ended March 31, 2008 and 2007 were \$62,059 and \$59,098, respectively.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

Note 3. Lease Obligations

The Association leases equipment and pays maintenance fees under various non-cancelable long-term agreements expiring in various fiscal years through 2009.

Rent expense for the years ended March 31, 2008 and 2007 was \$30,675 and \$30,649, respectively.

At March 31, 2008, future minimum lease commitments are as follows:

<u>Year Ended March 31,</u>	<u>Equipment Leases</u>
2009	\$ 24,235
2010	15,510
2011	3,845
2012	1,856
Thereafter	<u>-</u>
Total Future Minimum Lease Payments	<u>\$ 45,446</u>

Note 4. Commitments:

The Association has entered into employment contracts with its Executive Director and its Assistant Executive Director. The Executive Director's contract is for the period from July 1, 2006 through March 31, 2009. The Assistant Executive Director's contract is for the period from April 6, 2006 through March 31, 2009.

Both contracts contain a clause that if the contract is terminated by the Association without cause, the Executive Director or Assistant Executive Director would be paid compensation for six months plus one month for every year of service up to twelve months. No liability has been recorded because the Association intends to maintain its current relationships.

Note 5. Presentation of Prior Year Financial Statements

Certain accounts and descriptions in the prior year financial statements have been modified for comparative purposes to conform with the presentation of the current year financial statements.

OTHER FINANCIAL INFORMATION



MATTHEWS, CARTER AND BOYCE, P.C.
certified public accountants

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

COMBINED SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2008

	Governance & Administration	Board of Directors	Building Operations	Government and Public Affairs	Membership	Programs
REVENUES						
Member dues	\$ -	\$ -	\$ -	\$ -	\$ 725,070	\$ -
Registration	-	-	-	-	-	48,098
Meeting revenue	-	-	-	-	-	-
Reprint and list sales	-	-	-	-	11,209	-
Advertising income	-	-	-	-	-	-
Book sales	-	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-
Royalties and commissions	-	-	-	-	227,380	-
Contributions	-	34,400	-	-	-	159,500
Interest/investment income	171,786	-	-	-	-	-
Total Revenues	\$ 171,786	\$ 34,400	\$ -	\$ -	\$ 963,659	\$ 207,598
EXPENSES						
Salaries	\$ 333,427	\$ 3,838	\$ -	\$ 58,423	\$ 150,818	\$ 96,550
Benefits and payroll taxes	133,785	1,554	-	23,565	60,824	38,985
Printing and production	3,011	4,811	-	-	38,889	17,537
Communications	52,728	60	-	42	45,262	4,778
Depreciation	54,062	-	57,316	-	-	-
Travel	49,671	144,802	-	-	8,581	49,855
Supplies	45,550	5,572	-	-	3,605	10,806
Maintenance and repairs	890	-	13,335	-	-	-
Building services	-	-	57,018	-	-	-
Professional services and contract services	154,691	1,898	2,698	4,000	6,041	168,683
Rental and lease expense	-	-	27,470	-	3,205	-
Bank charges and taxes	1,273	-	211	-	27	-
Fees, contributions and subscriptions	33,448	139	73	10,342	15,737	37,698
Meeting expenses	-	34,049	-	-	-	14,678
Cost of goods sold	-	-	-	-	-	-
Miscellaneous expenses	3,875	4,197	-	-	337	297
Total Expenses	\$ 866,411	\$ 200,920	\$ 158,121	\$ 96,372	\$ 333,326	\$ 439,867
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ (694,625)	\$ (166,520)	\$ (158,121)	\$ (96,372)	\$ 630,333	\$ (232,269)

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

COMBINED SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2008

	Leadership Conference	Research Committees	Affiliate Visitation	Meritorious Budget Awards	Certificate of Excellence	Grants and Contracts
REVENUES						
Member dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Registration	39,110	-	-	84,925	404,710	-
Meeting revenue	-	-	-	-	-	-
Reprint and list sales	-	-	-	-	-	-
Advertising income	-	-	-	-	-	-
Book sales	-	-	-	-	-	-
Grants and contracts	-	-	-	-	-	213,805
Royalties and commissions	-	-	-	-	-	-
Contributions	57,000	-	5,000	43,750	-	-
Interest/investment income	-	-	-	-	-	-
Total Revenues	\$ 96,110	\$ -	\$ 5,000	\$ 128,675	\$ 404,710	\$ 213,805
EXPENSES						
Salaries	\$ 19,318	\$ 44,055	\$ 47,858	\$ 17,247	\$ 16,660	\$ 1,678
Benefits and payroll taxes	7,795	17,768	19,301	6,959	6,721	811
Printing and production	5,119	632	-	1,321	-	-
Communications	450	-	153	3,493	279	32
Depreciation	-	-	-	-	-	-
Travel	36,000	23,905	21,407	2,933	722	33,973
Supplies	448	132	1,430	2,922	29,549	8,705
Maintenance and repairs	-	-	-	-	-	-
Building services	-	-	-	-	-	-
Professional services and contract services	-	5,025	2,500	16,375	111,602	110,238
Rental and lease expense	-	-	-	-	-	-
Bank charges and taxes	-	-	-	-	-	-
Fees, contributions and subscriptions	-	-	-	-	-	10,760
Meeting expenses	76,545	8,486	4,308	2,293	-	-
Cost of goods sold	-	-	-	-	-	-
Miscellaneous expenses	-	105	-	-	-	-
Total Expenses	\$ 145,675	\$ 100,108	\$ 96,957	\$ 53,543	\$ 165,533	\$ 166,197
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ (49,565)	\$ (100,108)	\$ (91,957)	\$ 75,132	\$ 239,177	\$ 47,608

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

COMBINED SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2008

	Continuing Education	Annual Meeting	Exhibits	Periodicals	Books and Publications	Total
REVENUES						
Member dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725,070
Registration	36,620	589,240	-	-	-	1,202,703
Meeting revenue	-	-	324,545	-	-	324,545
Reprint and list sales	-	-	-	775	-	11,984
Advertising income	-	-	-	304,385	-	304,385
Book sales	-	-	-	-	100,389	100,389
Grants and contracts	-	-	-	-	-	213,805
Royalties and commissions	309	-	-	-	-	227,689
Contributions	15,000	114,500	50,200	-	-	479,350
Interest/investment income	-	-	-	-	-	171,786
Total Revenues	\$ 51,929	\$ 703,740	\$ 374,745	\$ 305,160	\$ 100,389	\$ 3,761,706
EXPENSES						
Salaries	\$ 48,508	\$ 149,499	\$ 72,721	\$ 69,211	\$ 20,859	\$ 1,150,671
Benefits and payroll taxes	19,567	60,343	29,327	27,932	8,416	463,653
Printing and production	319	22,038	5,399	134,842	-	233,920
Communications	191	8,020	4,570	33,371	-	153,427
Depreciation	-	-	-	-	-	111,378
Travel	3,350	45,916	838	4,164	-	426,116
Supplies	41	19,624	151	3,286	-	131,821
Maintenance and repairs	-	-	-	-	-	14,225
Building services	-	-	-	-	-	57,018
Professional services and contract services	79,530	66,185	203,974	166,084	-	1,099,524
Rental and lease expense	-	-	-	-	-	30,675
Bank charges and taxes	-	1,493	-	-	-	3,004
Fees, contributions and subscriptions	-	2,093	1,042	6,443	93,049	210,824
Meeting expenses	20,805	426,978	123,938	640	-	712,720
Cost of goods sold	-	-	-	-	2,126	2,126
Miscellaneous expenses	-	661	-	-	-	9,472
Total Expenses	\$ 172,311	\$ 802,850	\$ 441,960	\$ 445,973	\$ 124,450	\$ 4,810,574
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ (120,382)	\$ (99,110)	\$ (67,215)	\$ (140,813)	\$ (24,061)	\$ (1,048,868)