

**ASSOCIATION OF SCHOOL BUSINESS
OFFICIALS OF MARYLAND AND THE
DISTRICT OF COLUMBIA, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

**ASSOCIATION OF SCHOOL BUSINESS
OFFICIALS OF MARYLAND AND THE
DISTRICT OF COLUMBIA, INC.
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YEARS ENDED 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Association of School Business Officials of
Maryland and the District of Columbia
Denton, Maryland

We have audited the accompanying financial statements of the Association of School Business Officials of Maryland and the District of Columbia, Inc., which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Association of School Business Officials of
Maryland and the District of Columbia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of School Business Officials of Maryland and the District of Columbia, Inc. as of June 30, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 2, 2016

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

	2016	2015
ASSETS		
Cash	\$ 394,111	\$ 356,290
Investments	108,649	108,621
Accounts receivable	17,491	-
Prepaid expenses	3,659	1,399
Total Assets	\$ 523,910	\$ 466,310
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 41,076	\$ 29,423
Deferred revenue	200	-
Total liabilities	41,276	29,423
NET ASSETS		
Unrestricted net assets	482,634	436,887
Total Liabilities and Net Assets	\$ 523,910	\$ 466,310

See accompanying Notes to Financial Statements.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
REVENUES		
Advertisements	\$ 7,635	\$ 9,881
Dues	73,490	81,800
Fall registration	22,275	7,030
Fall conference exhibits	12,395	11,675
Spring registration	81,838	98,861
Golf tournament	5,475	2,429
Exhibitors' fees	162,335	133,495
Interest income	1,181	782
Miscellaneous	16,193	7,211
Workshops/seminars/ courses	8,970	12,711
Sponsorships	2,053	296
Sponsorships - fall conference	500	1,500
Sponsorships - spring conference	16,235	15,525
U.S. Communities	63,316	39,846
Total revenues	473,891	423,042
EXPENSES		
Fall Conference:		
Name badges	307	1,094
Printing (programs, tickets)	2,012	1,996
Rental of facilities and meals	14,538	18,361
Speakers	4,098	4,404
Total fall conference	20,955	25,855
Spring Conference:		
AV equipment	1,050	750
Awards and gifts	8,524	8,688
Decorations	2,765	1,571
Door prizes	693	200
Entertainment	1,955	1,750
Exhibitors' designer	28,769	28,246
Golf tournament	5,193	4,527
Guests	2,374	12,862
Hotel rental	15,433	-
Keynote speaker	4,000	2,330
Meals	80,495	67,568
Mobile App	5,275	-
Printing (tickets & invitations)	696	1,786
Printing of programs	3,449	7,060
Rental of convention center	22,208	17,952
Security	816	833
Speakers	7,415	188
Total spring conference	191,110	156,311

See accompanying Notes to Financial Statements.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015
(CONTINUED)**

	2016	2015
EXPENSES (Continued)		
General Administration:		
Advertising	\$ 284	\$ 903
Awards and gifts	2,953	2,432
Bank charges	273	-
Board meetings	720	344
CEASOM dues	300	300
CEASOM events	2,700	2,835
Credit card fees	9,972	12,231
Curriculum program development	-	345
Equipment	2,307	301
Liability insurance	1,859	1,359
Office supplies and stationary	1,559	4,642
Outside accounting services	17,240	12,000
Postage	1,911	1,764
President's blazer and awards	411	1,901
Telephone	1,558	922
Total general administration	44,047	42,279
Executive Director:		
Administrative assistant	21,822	19,559
ASBO conference and dues	-	669
ASBO leadership	1,811	2,176
ASBO summer meeting	-	877
Office storage	1,179	944
Payroll taxes	5,553	5,286
Salary	69,000	66,000
Travel and meals	7,566	6,991
Total executive director	106,931	102,502
Past-President:		
ASBO conference and dues	1,440	349
ASBO affiliates	2,622	1,950
Total past-president	4,062	2,299
President:		
ASBO conference and dues	2,733	2,201
ASBO affiliates	-	732
ASBO leadership conference	-	1,572
Pins/Shirts/Volunteer gifts	1,442	1,230
Total president	4,175	5,735

See accompanying Notes to Financial Statements.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015
(CONTINUED)**

	2016	2015
EXPENSES (Continued)		
President-Elect:		
ASBO conference and dues	\$ 1,670	\$ 1,675
ASBO Affiliates	349	264
ASBO leadership	1,483	1,950
Total president-elect	3,502	3,889
Vice-President:		
ASBO conference and dues	183	1,684
ASBO Affiliates	-	416
ASBO leadership	-	1,541
Total vice-president	183	3,641
Secretary:		
ASBO conference and dues	2,283	219
ASBO leadership	2,216	3,775
Total secretary	4,499	3,994
Treasurer:		
ASBO conference and dues	2,777	-
ASBO leadership	-	4,049
Total treasurer	2,777	4,049
Miscellaneous:		
AIMS conference	1,000	-
Committee meeting	6,851	3,519
Faye Miller award	4,332	416
Foundation courses	5,155	3,355
Online resources	2,379	2,161
Other miscellaneous expense	532	-
Paul B. Bell award	-	2,131
Professional development	1,436	540
Publications	2,626	4,074
Scholarships	18,990	13,228
TOY annual banquet	1,150	1,150
Workshops (including printing)	1,452	7,097
Total miscellaneous	45,903	37,671
Total Expenses	428,144	388,225
CHANGES IN NET ASSETS	45,747	34,817
Unrestricted Net Assets - Beginning of Year	436,887	402,070
UNRESTRICTED NET ASSETS - END OF YEAR	\$ 482,634	\$ 436,887

See accompanying Notes to Financial Statements.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 45,747	\$ 34,817
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Effects of changes in operating assets and liabilities:		
Accounts receivable	(17,491)	686
Prepaid expenses	(2,260)	8,160
Accounts payable and accrued expenses	11,653	1,938
Deferred revenue	200	(3,000)
Net cash provided by operating activities	37,849	42,601
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(28)	(108)
 NET INCREASE IN CASH	37,821	42,493
 Cash - Beginning of Year	356,290	313,797
 CASH - END OF YEAR	\$ 394,111	\$ 356,290

See accompanying Notes to Financial Statements.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association of School Business Officials of Maryland and the District of Columbia, Inc. (the Association) is a membership organization for officials employed by private and public educational organizations who are performing business administrative functions. The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar sections of the state statutes. The Association has been classified by the Internal Revenue Service as a non-private foundation.

Use of Estimates in Preparing Financial Statements

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Association are prepared on the accrual basis of accounting.

Cash and Cash Equivalents

The Association considers all liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments

Investments consist solely of certificate of deposits with maturity dates ranging from 12 to 13 months subsequent to year-end. The certificate of deposits are shown at the original amount deposited plus accrued interest, which approximates fair value because of the short-term nature of these deposits. The Association's certificate of deposits totaled \$108,649 and \$108,621 at June 30, 2016 and 2015, respectively.

Income Taxes

The Association is a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from federal and state income taxes.

Revenue Recognition

The Association's major sources of revenue consist of registrations and exhibits from their annual Fall and Spring Conferences, as well as membership dues. Income from membership dues is recognized when received. Contributions and grants, when representing unconditional promises to give on behalf of the donor, are recorded when the promise to give is received. Contributions received that are donor restricted for future periods or for specific purposes are reported as temporarily or permanently restricted, depending on the nature of the restriction. All other contributions without donor stipulations are reported as unrestricted.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Unrestricted net assets – Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets – Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Association pursuant to those stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association.

The Association did not have any temporarily or permanently restricted net assets at June 30, 2016 or 2015.

NOTE 2 CASH CONCENTRATIONS

As of June 30, 2016 and 2015, the Association had deposits at two financial institutions totaling \$428,465 and \$422,350, respectively. Balances on these deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured.

NOTE 3 UNCERTAINTY IN INCOME TAXES

The Association follows the FASB's requirements for accounting for uncertain tax positions. The Association determined that they are not required to record a liability related to uncertain tax positions at either June 30, 2016 or 2015.

NOTE 4 FUNCTIONAL EXPENSES

The Association reports its expenses in the Statement of Activities by their natural classifications. The following summarizes these expenses by functional activity:

	2016	2015
Program expenses:		
Conferences	\$ 219,128	\$ 186,707
Publications	2,626	4,074
Scholarships	18,740	13,228
Public relations	2,379	2,161
Total program expenses	242,873	206,170
General and administrative expenses	185,271	182,055
Total expenses	<u>\$ 428,144</u>	<u>\$ 388,225</u>

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 5 SUBSEQUENT EVENTS

Management evaluated subsequent events through December 2, 2016, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2016, but prior to December 2, 2016, that provided additional evidence about conditions that existed at June 30, 2016, have been recognized in the financial statements for the year ended June 30, 2016. Events or transactions that provided evidence about conditions that did not exist at June 30, 2016, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2016.