

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

**ASSOCIATION OF SCHOOL BUSINESS
OFFICIALS OF MARYLAND AND THE
DISTRICT OF COLUMBIA, INC.
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YEARS ENDED 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Association of School Business Officials of Maryland and the District of Columbia, Inc. (the Association), which comprise the statements of financial position as of June 30, 2017 and 2016, 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 as of June 30, 2017 and 2016 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
October 27, 2017

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
ASSETS		
Cash	\$ 339,737	\$ 394,111
Investments	108,839	108,649
Accounts Receivable	46,633	17,491
Prepaid Expenses	4,506	3,659
Total Assets	\$ 499,715	\$ 523,910
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 53,274	\$ 41,076
Deferred Revenue	3,510	200
Total Liabilities	56,784	41,276
NET ASSETS		
Unrestricted Net Assets	442,931	482,634
Total Liabilities and Net Assets	\$ 499,715	\$ 523,910

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, 2017 AND 2016**

	2017	2016
REVENUES		
Advertisements	\$ 4,937	\$ 7,635
Dues	86,960	73,490
Fall Registration	13,805	22,275
Fall Conference Exhibits	13,650	12,395
Spring Registration	75,308	81,836
Golf Tournament	5,170	5,475
Exhibitors' Fees	145,300	162,335
Interest Income	477	1,181
Miscellaneous	17,522	16,193
Workshops/Seminars/Courses	5,883	8,970
Sponsorships	550	2,053
Sponsorships - Fall Conference	1,000	500
Sponsorships - Spring Conference	6,200	16,235
U.S. Communities Rebates	52,563	63,316
Total Revenues	429,325	473,891
EXPENSES		
Fall Conference:		
Name Badges	1,501	307
Printing (Programs, Tickets)	2,150	2,012
Rental of Facilities and Meals	21,382	14,538
Speakers	7,500	4,098
Total Fall Conference	32,533	20,955
Spring Conference:		
AV Equipment	750	1,050
Awards and Gifts	6,219	8,524
Decorations	1,608	2,765
Door Prizes	400	693
Entertainment	1,709	1,955
Exhibitors' Designer	28,836	28,769
Golf Tournament	5,792	5,193
Guests	13,556	18,132
Keynote Speaker	10,235	4,000
Meals	87,237	80,495
Mobile App	8,160	5,275
Printing (Tickets & Invitations)	7,071	696
Printing of Programs	2,111	3,449
Rental of Convention Center	15,918	22,208
Security	846	816
Speakers	1,000	7,090
Total Spring Conference	191,448	191,110

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, JUNE 30, 2017
(CONTINUED)**

	2017	2016
EXPENSES (Continued)		
General Administration:		
Advertising	\$ -	\$ 284
Awards and Gifts	483	2,953
Bank Charges	-	273
Board Meetings	204	720
CEASOM Dues	300	300
CEASOM Events	406	2,700
Credit Card Fees	8,820	9,970
Equipment	1,941	2,307
Liability Insurance	859	1,859
Office Supplies and Stationary	3,331	1,559
Outside Accounting Services	13,031	17,240
Postage	1,159	1,914
President's Blazer and Awards	565	411
Telephone	1,162	1,558
Total General Administration	32,261	44,047
Executive Director:		
Administrative Assistant	35,487	21,822
ASBO Conference and Dues	225	-
ASBO Leadership	-	1,811
Office Storage	1,204	1,179
Payroll Taxes	5,541	5,553
Salary	72,966	69,000
Travel and Meals	7,278	7,566
Legal and Professional Fees	21,022	-
Total Executive Director	143,723	106,931
Past-President:		
ASBO Conference and Dues	-	1,440
ASBO Affiliates	-	2,622
Total Past-President	-	4,062
President:		
ASBO Conference and Dues	2,460	2,733
ASBO Affiliates	1,461	-
Pins/Shirts/Volunteer Gifts	-	1,442
Total President	3,921	4,175

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, JUNE 30, 2017
(CONTINUED)**

	2017	2016
EXPENSES (Continued)		
President-Elect:		
ASBO Conference and Dues	\$ -	\$ 1,670
ASBO Affiliates	-	349
ASBO Leadership	-	1,483
Total President-Elect	-	3,502
Vice-President:		
ASBO Conference and Dues	-	183
ASBO Leadership	2,141	-
Total Vice-President	2,141	183
Secretary:		
ASBO Conference and Dues	2,540	2,283
ASBO Leadership	2,422	2,216
Total Secretary	4,962	4,499
Treasurer:		
ASBO Conference and Dues	3,361	2,777
Miscellaneous:		
AIMS Conference	1,000	1,000
Committee Meeting	1,522	6,851
Faye Miller Award	8,640	4,332
Foundation Courses	3,650	5,155
Online Resources	2,177	2,379
Other Miscellaneous Expense	49	782
Paul B. Bell Award	1,646	-
Professional Development	23,185	1,436
Publications	-	2,626
Scholarships	9,916	18,740
TOY Annual Banquet	1,150	1,150
Workshops (Including Printing)	1,743	1,452
Total Miscellaneous	54,678	45,903
Total Expenses	469,028	428,144
CHANGES IN NET ASSETS	(39,703)	45,747
Unrestricted Net Assets - Beginning of Year	482,634	436,887
UNRESTRICTED NET ASSETS - END OF YEAR	\$ 442,931	\$ 482,634

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, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (39,703)	\$ 45,747
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(29,142)	(17,491)
Prepaid Expenses	(847)	(2,260)
Accounts Payable and Accrued Expenses	12,198	11,653
Deferred Revenue	3,310	200
Net Cash Provided (Used) by Operating Activities	(54,184)	37,849
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(190)	(28)
NET INCREASE (DECREASE) IN CASH	(54,374)	37,821
Cash - Beginning of Year	394,111	356,290
CASH - END OF YEAR	\$ 339,737	\$ 394,111

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, 2017 AND 2016**

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 IRS 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 certificates of deposit with maturity dates ranging from 12 to 13 months subsequent to year-end. The certificates of deposit 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 certificates of deposit totaled \$108,839 and \$108,649 at June 30, 2017 and 2016, 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, 2017 AND 2016**

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, 2017 or 2016.

Reclassification

Certain expenses in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications had no effect on net position, or the changes thereto.

NOTE 2 CASH CONCENTRATIONS

As of June 30, 2017 and 2016, the Association had deposits at two financial institutions totaling \$341,018 and \$428,465, 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, 2017 or 2016.

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS OF
MARYLAND AND THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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:

	<u>2017</u>	<u>2016</u>
Program Expenses:		
Conferences, Workshops, and Courses	\$ 253,559	\$ 221,384
Publications	-	2,626
Scholarships	9,916	18,740
Public Relations	2,177	2,379
Total Program Expenses	<u>265,652</u>	<u>245,129</u>
General and Administrative Expenses	<u>203,376</u>	<u>183,015</u>
Total Expenses	<u>\$ 469,028</u>	<u>\$ 428,144</u>

NOTE 5 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 27, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to October 27, 2017, that provided additional evidence about conditions that existed at June 30, 2017, have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017, 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, 2017.