

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

Financial Statements

Years Ended May 31, 2010 and 2009

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

Report of Independent Auditors.....	2
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 - 9
Supplemental Information:	
Schedules of Annual Meeting Revenue and Expenses.....	10
Schedules of Annual Workshop Revenue and Expenses.....	11



## Report of Independent Auditors

Board of Directors  
Southern Association of College and University Business Officers, Inc.

We have audited the accompanying statements of financial position of the Southern Association of College and University Business Officers, Inc. ("SACUBO") as of May 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of SACUBO's management. 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Association of College and University Business Officers, Inc. as of May 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules included on pages 10 and 11 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cherry, Bekaert & Holland, L.L.P.*

Charlotte, North Carolina  
October 25, 2010

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

**Statements of Financial Position**

		May 31,	
		2010	2009
<b>Assets</b>			
<b>Assets</b>			
Cash and cash equivalents		\$ 267,330	\$ 141,504
Accounts receivable		50,206	53,417
Prepaid expenses		4,000	-
Investments		260,660	220,017
<b>Total assets</b>		\$ 582,196	\$ 414,938
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable		\$ 101,800	\$ 67,738
Deferred revenue		37,086	13,438
<b>Total liabilities</b>		138,886	81,176
<b>Net assets - unrestricted</b>		443,310	333,762
<b>Total liabilities and net assets</b>		\$ 582,196	\$ 414,938

See notes to financial statements.

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

**Statements of Activities**

	Years Ended May 31,	
	2010	2009
<b>Revenue and other support</b>		
Membership dues	\$ 148,500	\$ 155,063
Annual meeting	424,479	374,322
Annual workshop	133,761	119,101
Drive-in workshops	10,806	13,156
Sponsorships	31,795	-
Next Generation	23,000	-
Contributed goods and services	800	7,340
	<b>773,141</b>	<b>668,982</b>
<b>Expenses</b>		
Program services:		
Annual meeting	369,506	355,378
Annual workshop	128,856	164,429
Annual workshop scholarships	3,000	1,950
College Business Management Institute - operations\scholarships	9,000	13,800
Constituent committee	22,661	49,550
Database project cost	10,000	20,000
Next Generation	20,428	27,137
Officers' staff honoraria	6,000	7,000
ACUBO	6,000	6,705
Newsletter	2,956	-
Drive-in workshops	11,242	17,127
Best practice awards	5,707	-
Contributed goods and services	800	7,340
	<b>596,156</b>	<b>670,416</b>
Supporting services:		
Executive committee travel and expenses	46,423	72,380
Insurance	1,294	1,766
Legal and audit	13,600	14,245
Professional fees - MRA services	15,823	12,917
Bank service charges	4,919	3,467
President's travel and expense	8,617	12,149
Professional development committee	13,438	27,819
Site visits	6,044	10,750
Other expenses	3,896	5,369
	<b>114,054</b>	<b>160,862</b>
<b>Total expenses</b>	<b>710,210</b>	<b>831,278</b>
<b>Change in unrestricted net assets from operations</b>	<b>62,931</b>	<b>(162,296)</b>
<b>Non-operating income (loss)</b>		
Investment return	46,617	(105,788)
<b>Change in unrestricted net assets</b>	<b>109,548</b>	<b>(268,084)</b>
<b>Net assets, beginning of year</b>	<b>333,762</b>	<b>601,846</b>
<b>Net assets, end of year</b>	<b>\$ 443,310</b>	<b>\$ 333,762</b>

See notes to financial statements.

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

**Statements of Cash Flows**

	<b>Years Ended May 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities:</b>		
Change in unrestricted net assets	\$ 109,548	\$ (268,084)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Net unrealized (gain) loss on investments	(40,643)	112,910
Changes in operating assets and liabilities:		
Accounts receivable	3,211	(40,162)
Accrued interest receivable	-	978
Prepaid expenses	(4,000)	-
Accounts payable	34,062	(280,484)
Deferred revenue	23,648	(3,882)
<b>Net cash provided by (used in) operating activities</b>	<u>125,826</u>	<u>(478,724)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	-	80,494
<b>Net cash provided by investing activities</b>	<u>-</u>	<u>80,494</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	125,826	(398,230)
<b>Cash and cash equivalents</b>		
<b>Beginning of year</b>	<u>141,504</u>	<u>539,734</u>
<b>End of year</b>	<u>\$ 267,330</u>	<u>\$ 141,504</u>

See notes to financial statements.

# SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS, INC.

Notes to Financial Statements  
Years Ended May 31, 2010 and 2009

## **Note 1 – Summary of significant accounting policies**

*Organization and purpose* – Southern Association of College and University Business Officers, Inc. (“SACUBO”) is a professional membership association of administrative and financial officers of colleges and universities. The purpose of the organization is to promote improved principles and efficient practices in the business and financial management of colleges and universities and to promote professional standards and ethical conduct among its members. Its activities include educational programs, professional development programs, and workshops.

*Basis of presentation* – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations and are currently available for use in the day-to-day operation of SACUBO.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of SACUBO and/or the passage of time. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that will be maintained permanently by SACUBO. Generally, the donors of these assets permit SACUBO to use all or part of the income earned on related investments for general or specific purposes.

All net assets of SACUBO for the years presented are without donor-imposed stipulations and have been classified as unrestricted.

*Support and revenue* – In accordance with GAAP, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

For all the years presented, contributions have been confined to non-cash donations of goods and services which are presented as donated goods and services in the accompanying statements of activities.

# SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS, INC.

Notes to Financial Statements  
Years Ended May 31, 2010 and 2009

## **Note 1 – Summary of significant accounting policies (continued)**

*Cash and cash equivalents* – SACUBO considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Certificates of deposit with maturities of greater than three months and cash and cash equivalents held in investment brokerage accounts are considered to be investments in the accompanying statements of financial position.

*Accounts receivable* – Accounts receivable consist of trade accounts receivable and are stated at cost. Management's has determined that an allowance for doubtful accounts is not considered necessary for the years ended May 31, 2010 and 2009. Management's determination is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio. Accounts are charged-off on a case-by-case basis. Future adjustments to the allowance may be necessary if conditions differ substantially from the assumptions used.

*Investments* – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued in the statement of financial position at their fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Changes in the fair value of securities are reflected as investment return in the accompanying statements of activities.

SACUBO's investments do not have a significant concentration of credit risk within any industry, geographic location, or specific institution.

*Deferred revenue* – Deferred revenue represents revenues collected but not earned as of the fiscal year-end. This is primarily for the annual meeting held during the subsequent fiscal year.

*Income taxes* – SACUBO, a non-profit organization under Section 501(c)(3) of the Internal Revenue Code, is exempt from federal and state income taxes on income related to its exempt purpose.

During year ended May 31, 2010, SACUBO adopted the Financial Accounting Standards Board guidance on Accounting for Uncertainty in Income Taxes. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. SACUBO's policy is to record a liability for any tax position taken that is beneficial to SACUBO, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of May 31, 2010 and, accordingly, no liability has been accrued.

*Use of estimates* – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS, INC.

Notes to Financial Statements  
Years Ended May 31, 2010 and 2009

## Note 2 – Fair value measurements of assets and liabilities

In accordance with guidance on fair value measurements for financial assets and liabilities measured at fair value, fair value measurements are classified and disclosed in one of the following three categories:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges for identical investments as of the reporting date. The types of financial instruments which would generally be included in Level 1 are listed equity securities. At May 31, 2010 and 2009, SACUBO's entire investment portfolio consists of level 1 financial instruments.

Level 2: Financial instruments valued using pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Fair value is determined through use of models or other valuation methodologies. The types of financial instruments which would generally be included in Level 2 are governmental and corporate bonds. At May 31, 2010 and 2009, SACUBO had no level 2 financial instruments.

Level 3: Financial instruments that are not actively traded on a market exchange and typically require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the investment manager. The types of financial instruments which would generally be included in Level 3 are units held in common investment trust funds, hedge funds, general and limited partnership interests in corporate and private equity and real estate funds, and interest in pooled investments held by a third party. At May 31, 2010 and 2009, SACUBO had no level 3 financial instruments.

## Note 3 – Investments

Investments consist of the following at May 31:

	<u>2010</u>	<u>2009</u>
Vanguard Index Trust 500 Portfolio	<u>\$ 260,660</u>	<u>\$ 220,017</u>

A summary of investment return is as follows:

	<u>2010</u>	<u>2009</u>
Dividends and Interest, net of fees	<u>\$ 5,974</u>	<u>\$ 7,122</u>
Unrealized gains (losses) on investments	<u>40,643</u>	<u>(112,910)</u>
	<u>\$ 46,617</u>	<u>\$ (105,788)</u>

# **SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS, INC.**

Notes to Financial Statements  
Years Ended May 31, 2010 and 2009

## **Note 4 – Commitments**

SACUBO has reserved facilities for future workshops and annual meetings. The agreements establish minimum payments and penalties for which SACUBO is liable if the event is cancelled. The total commitment as of May 31, 2010 totaled approximately \$527,000. These commitments are not recorded as a liability in the statement of financial position.

## **Note 5 – Concentration of credit risk**

SACUBO places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation ("FDIC") covers \$250,000 for substantially all depository accounts. SACUBO from time to time had amounts on deposit in excess of the insured limits.

## **Note 6 – Subsequent events**

SACUBO has evaluated subsequent events through October 25, 2010, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

**Schedules of Annual Meeting Revenues and Expenses**

	Years Ended May 31,	
	2010	2009
<b>Revenues</b>		
Registration fees/tickets	\$ 162,509	\$ 105,070
Exhibitor fees	129,675	117,566
Sponsorships	122,200	127,500
Other revenue	10,095	24,186
	<u>424,479</u>	<u>374,322</u>
Contributed goods and services	<u>800</u>	<u>7,340</u>
<b>Total revenues</b>	<u>425,279</u>	<u>381,662</u>
<b>Expenses</b>		
Program committee	16,566	13,440
Speaker honoraria and gifts	36,682	40,240
Audio visual set up	14,508	16,701
Food, beverages and hotel charges	183,891	148,140
Entertainment and optional events	6,563	10,222
Registration and related expenses:		
Professional fees - MRA services	76,979	94,823
Printing, publications and other	33,074	26,962
Distinguished award	116	-
Other expenses	1,127	4,850
	<u>369,506</u>	<u>355,378</u>
Contributed goods and services	<u>800</u>	<u>7,340</u>
<b>Total expenses</b>	<u>370,306</u>	<u>362,718</u>
<b>Excess of revenues over expenses</b>	<u>\$ 54,973</u>	<u>\$ 18,944</u>

**SOUTHERN ASSOCIATION OF COLLEGE AND UNIVERSITY  
BUSINESS OFFICERS, INC.**

**Schedules of Annual Workshop Revenues and Expenses**

	Years Ended May 31,	
	2010	2009
<b>Revenues</b>		
Registration fees	\$ 117,497	\$ 86,471
Sponsorships	16,264	32,630
<b>Total revenues</b>	<u>133,761</u>	<u>119,101</u>
<b>Expenses</b>		
Speakers and other travel	8,983	24,802
Printing and duplication	113	4,502
Luncheons and receptions	76,322	78,124
Audio and visual equipment	1,215	12,939
Conference coordination	37,427	34,943
Other expenses	4,796	9,119
<b>Total expenses</b>	<u>128,856</u>	<u>164,429</u>
<b>Excess of revenues over (under) expenses</b>	<u>\$ 4,905</u>	<u>\$ (45,328)</u>