

ASIS&T Presents Annual Audit

The report of the ASIS&T auditors on the 2008 financial statements is presented on this and the following pages.

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2008

INDEPENDENT AUDITORS' REPORT

Board of Directors
American Society for Information Science & Technology
Silver Spring, Maryland

We have audited the accompanying statement of financial position of the American Society for Information Science & Technology (a nonprofit organization) as of September 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe our audit provides 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 the American Society for Information Science & Technology as of September 30, 2008, 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.

Carol Waddell, LLC
Columbia, Maryland
February 13, 2009

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

Current Assets	
Cash and Cash Equivalents - Headquarters	\$ 1,135,170
Cash and Cash Equivalents - Local Chapters	115,478
Accounts Receivable	13,395
Royalties Receivable	98,573
Inventory	4,506
Prepaid Expenses - General	17,426
Prepaid Expenses - Conferences	89,569
Postage Deposits	8,422
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Total Current Assets	1,482,539
Property and Equipment, net	140,459
Other Assets	
Security Deposit	2,468
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Total Assets	\$ 1,625,466

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable	\$ 8,995
Income Taxes Payable	1,415
Accrued Expenses	101,378
Deferred Revenue	427,726
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Total Liabilities	539,514
Net Assets	
Unrestricted, Undesignated	765,984
Unrestricted, Board Designated	319,968
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Total Net Assets	1,085,952
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Total Liabilities and Net Assets	\$ 1,625,466

See Independent Auditors' Report and Notes to Financial Statements.

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Support and Revenue	
Membership	\$ 341,045
Conferences and Meetings	654,157
Publications	537,392
Continuing Education	256,576
Interest	10,109
Miscellaneous	1,991
Total Support and Revenue	<u>1,801,270</u>
Expenses	
Program support	
Membership	148,567
Conferences and Meetings	478,573
Publications	105,867
Continuing Education	180,517
Total Program Support	913,524
Management and General	489,130
Total Expenses	<u>1,402,654</u>
Change in Unrestricted Net Assets	398,616
Unrestricted Net Assets at Beginning of Year	<u>687,336</u>
Unrestricted Net Assets at End of Year	<u>\$ 1,085,952</u>

See Independent Auditors' Report and Notes to Financial Statements.

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Membership</u>	<u>Conferences and Meetings</u>	<u>Publications</u>	<u>Continuing Education</u>	<u>Total Program Support</u>	<u>Management and General</u>	<u>Total Expenses</u>
Awards and Honoraria	\$ 7,048	\$ 12,485	\$ -	\$ -	\$ 19,533	\$ -	\$ 19,533
Banquet/Hospitality	4,110	188,817	-	123,610	316,537	3,793	320,330
Books/Products	12,347	-	8,592	-	20,939	-	20,939
Chapters' Direct Expense	149	3,134	-	-	3,283	-	3,283
Depreciation and Amortization	-	-	-	-	-	46,349	46,349
Duplicating	731	665	16	4	1,416	4,506	5,922
Editorial	-	6,508	33,592	-	40,100	-	40,100
Equipment Rental and Maintenance	-	-	13,641	-	13,641	24,106	37,747
Exhibits and Conference	570	48,381	-	13,227	62,178	1,346	63,524
Insurance	-	-	-	-	-	5,543	5,543
Legal, Accounting, and Auditing	-	-	3,829	-	3,829	9,455	13,284
Other	13,393	22,554	532	3,777	40,256	50,485	90,741
Postage and Delivery	14,141	11,412	1,100	170	26,823	7,369	34,192
Printing and Related Expenses	9,742	30,908	16,050	1,660	58,360	2,345	60,705
Proceedings	-	5,539	-	-	5,539	-	5,539
Rent	-	-	-	-	-	43,662	43,662
Salaries, Benefits, and Taxes	82,404	116,963	28,391	16,874	244,632	261,869	506,501
Supplies and Materials	1,190	3,174	-	-	4,364	6,681	11,045
Tax	-	-	-	-	-	2,608	2,608
Telephone	101	8,741	124	4,230	13,196	6,631	19,827
Temporary/Consulting Services	2,641	550	-	7,946	11,137	7,545	18,682
Travel and Related Expenses	-	18,742	-	9,019	27,761	4,837	32,598
Totals	<u>\$ 148,567</u>	<u>\$ 478,573</u>	<u>\$ 105,867</u>	<u>\$ 180,517</u>	<u>\$ 913,524</u>	<u>\$ 489,130</u>	<u>\$ 1,402,654</u>

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Cash Flows From Operating Activities	
Change in Net Assets	\$ 398,616
Adjustments to reconcile change in net assets to net Cash Provided by Operating Activities	
Depreciation and Amortization	46,349
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Assets	
Accounts Receivable	10,472
Royalties Receivable	73,100
Inventory	(833)
Prepaid Expenses - General	(3,615)
Prepaid Expenses - Conferences	(17,545)
Postage Deposits	3,177
Increase (Decrease) in Liabilities	
Accounts Payable	(20,690)
Income Taxes Payable	1,415
Accrued Expenses	69,631
Deferred Revenue	1,126
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Net Cash Provided by Operating Activities	561,203
Cash Flows From Investing Activities	
Purchase of Property and Equipment	(6,976)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	554,227
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<hr/>
	696,421
CASH AND CASH EQUIVALENTS AT END OF YEAR	<hr/>
	\$ 1,250,648
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Cash and Cash Equivalents at September 30, 2008 Consisted of:	
Cash and Cash Equivalents - Headquarters	\$ 1,135,170
Cash and Cash Equivalents - Local Chapters	115,478
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	\$ 1,250,648
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Supplemental Disclosure of Cash Flow Information:	
Cash Paid During Year for Income Taxes	\$ 1,030
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See Independent Auditors' Report and Notes to Financial Statements.

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

PURPOSE OF ORGANIZATION

The American Society for Information Science & Technology (the Society) is a non-profit (501)(c)(3) professional association organized for scientific, literary and educational purposes. The Society is dedicated to the creation, organization, dissemination and application of knowledge concerning information and its transfer. The mission of the Society is to foster and lead the advancement of information science and technology. The Society is headquartered in the Washington, DC area. The Society's membership base is primarily in North American, but the Society has members throughout the world.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Society's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation: Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Society is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Society is required to present a Statement of Cash Flows.

There were no temporarily restricted or permanently restricted net assets at September 30, 2008.

Cash and Cash Equivalents: Cash and cash equivalents includes all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Allowance for Doubtful Accounts: Accounts receivables are reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of allowance that will actually be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Society's historical collection experience. The allowance was \$1,179 at September 30, 2008.

Royalties Receivable: The Society receives royalties for publication sold during the year. The Society records the receivable and the related revenue for royalties earned as of September 30 each year. An allowance for uncollectible amounts has not been established for royalties receivable as the Society deems all royalties to be collectible.

Prepaid Expenses: Prepaid expenses represent costs associated with Society activities paid prior to year-end whose benefit will be realized by the Society as expenses are incurred.

Inventory: Inventory, consisting of publications and other items for sale, is recorded at the lower of cost or market using the first-in, first-out (FIFO) method.

Property and Equipment: The Society follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500. Property and equipment are depreciated using the straight-line method over the useful lives of three to eight years. Leasehold improvements and digital library costs are amortized over ten years. The web redesign costs are amortized over seven years.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

AMERICAN SOCIETY FOR INFORMATION SCIENCE & TECHNOLOGY
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Revenue: The Society's deferred revenue represents membership dues, conference registration fees and publication subscriptions for which services have not yet been provided.

Income Taxes: The Society is exempt from federal and state income tax (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. Although the Society is exempt from income tax it has certain activities considered unrelated to its exempt status that are subject to income tax. The Society has accrued taxes of \$1,415 for unrelated business income for the year ended September 30, 2008.

NOTE 1. CONCENTRATIONS OF CREDIT RISK

The Society's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Society places its cash with high credit quality institutions. At times, such cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. The Society has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

In September 2008, the Society entered into an arrangement with a bank whereby a portion of their cash deposits are spread among partnering banks to allow for greater FDIC protection.

NOTE 2. PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2008 follows:

Furniture and Fixtures	\$ 8,769
Computer and Office Equipment	167,248
Leasehold Improvements	11,283
Digital Library	106,424
Web redesign	<u>59,998</u>
 Total Cost	 353,722
 Less: Accumulated Depreciation and Amortization	 <u>(213,263)</u>
	 <u>\$ 140,459</u>

Depreciation and amortization expense was \$46,349 for the year ended September 30, 2008.

NOTE 3. BOARD DESIGNATED NET ASSETS

The Board of Directors of the Society has designated net asset balances into the following funds as of September 30:

Reserve Fund	\$ 134,278
Chapter Development Fund	5,000
Local Chapter Funds	115,478
Special Interest Group Project Funds	5,000
Special Interest Group Funds	30,620
Chapter Project Funds	3,300
SiG Digital Scholars Fund	11,774
Scholarship Fund	4,518
New Initiatives Fund	<u>10,000</u>
	 <u>\$ 319,968</u>

NOTE 4. COMMITMENTS

Leases: The Society is obligated under two non-cancelable lease agreements for office space which expire in the year 2010 and a lease agreement for office equipment expiring in 2009. The amounts due under the office leases are subject to increases based on the greater of a fixed 4% annual escalation or on a percentage of the change in the consumer price index.

The minimum future rental commitments through the remaining term of the leases are as follows:

Year ended September 30:		
2009	\$	45,512
2010		<u>46,877</u>
	\$	<u>92,389</u>

Rent expense for the year ended September 30, 2008 was \$43,662.

Contracts: In 2008, the Society renegotiated its contract with Wiley – Blackwell (John Wiley and Sons, Inc.) in which the Society turned over the publication, distribution, and storage of the Society's journal. In addition, the Society gave Wiley rights to all gross revenues earned from the journal. In return, it was promised royalties which currently amount to 50% of the net revenues from the journal. The monies are paid by Wiley in April for the calendar year preceding. As of September 30, 2008, royalties of \$483,096 has been earned and recognized under the contract.

The Society has entered into various contracts with hotels for meeting rooms and guest rooms for its meetings to be held in fiscal year ending September 30, 2009. The total values of the contracts are still to be determined. The Society, however, could be liable for a portion of the cost of the rooms not filled or if the event is cancelled.

NOTE 5. PENSION PLAN

The Society sponsors a defined contribution retirement plan that operates under section 403(b) of the Internal Revenue Code. The Plan covers all full-time employees and part-time employees with more than 1,000 hours of service. Participation in the Plan begins after completion of twelve months of service. Employees may contribute to the Plan and the Society contributes 5% of the portion of an employees' salary within the Social Security wage base. The Society's contributions to the Plan totaled \$17,612 the year ended September 30, 2008.