

2004

Annual Report

A MESSAGE FROM THE 2004 PRESIDENT

A **ASIS International** worked throughout 2004 to take on new roles that benefit the Society's 33,000 members and the entire security field. Some of the Society's 2004 successes include:

◆ **CSO Roundtable.** The Chief Security Officer (CSO) Roundtable was launched in September with a dinner on Capitol Hill and a meeting with the White House Liaison for Department of Homeland Security.

◆ **Guidelines.** The ASIS Guidelines Commission completed six guidelines that were published in final form or made available for public comment.

◆ **DHS.** ASIS deepened its relationship with the U.S. Department of Homeland Security and assisted in the promulgation of the Homeland Security Information Network.

◆ **Legislation.** The Society celebrated the passage of the Private Security Officer Employment Authorization Act after actively helping to shape and promote it.

◆ **Dallas.** The ASIS 50th Annual Seminar and Exhibits in Dallas was the largest to date and established record financial sponsorships.

◆ **Wharton.** ASIS, in partnership with Wharton School of Business, developed a business curriculum for security executives that has since seen its first successful iteration.

◆ **E-publishing.** The Society created two e-newsletters, *Security Management Daily* and *Security Management Weekly*, which provides members and subscribers with summaries of pertinent news.

◆ **Madrid.** ASIS held its Annual International Security Management Conference held in Madrid, Spain—the most successful such conference to date.

◆ **IT Security.** The Society launched an initiative for mutual recognition of the certifications offered by ASIS and ISC². Discussions were held on promoting improved integration between traditional security and IT security.

All of these successes and more were made possible by the efforts of Society members, volunteer leaders, and staff at our headquarters in Alexandria, Virginia.

As a result, ASIS remains the world's preeminent security organization.

SHIRLEY A. PIERINI, CPP

ASIS International and Affiliate

Consolidated Statements of Financial Position

December 31,	2004	2003
Assets		
Cash and cash equivalents	\$ 407,115	\$ 273,680
Investments, at fair value	23,422,140	18,863,275
Accounts receivable, net of allowance for doubtful accounts of \$101,561 and \$103,000 for 2004 and 2003, respectively	1,364,687	1,266,630
Prepaid expenses	699,377	449,646
Other assets	1,043,124	955,613
Inventory	411,104	341,797
Property and equipment, net	8,517,851	8,923,292
Total Assets	\$35,865,398	\$31,073,933
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 895,745	\$ 291,108
Accrued liabilities	508,281	425,175
Dues, subscriptions, fees, and rents collected in advance	8,784,303	8,022,397
Mortgage note payable	5,527,876	5,659,147
Post-retirement benefit obligation	3,080,170	2,600,901
Total Liabilities	18,796,375	16,998,728
Net Assets		
Unrestricted	\$16,697,463	\$13,728,363
Temporarily restricted	68,823	62,345
Permanently restricted	302,737	284,497
Total Net Assets	\$17,069,023	\$14,075,205
Total Liabilities and Net Assets	\$35,865,398	\$31,073,933

The accompanying notes are an integral part of these statements.

ASIS International and Affiliate

Consolidated Statements of Activities and Changes in Net Assets

December 31,	2004	2003
Changes in Unrestricted Net Assets		
Revenues		
Membership and general society	\$ 3,375,160	\$ 3,309,702
Publishing	6,133,955	6,063,361
Seminar	11,992,614	10,051,502
Education	1,897,730	1,974,380
Certification program	322,015	343,845
Publications and merchandise sales	1,213,306	996,071
Rental operations, net	65,205	14,102
Donations by:		
Chapters	22,480	18,228
Companies	62,834	6,165
Individuals	23,235	17,796
Scholarships	30,893	30,450
Foundation Dinner	98,020	85,609
Charity golf	45,100	57,750
Investment return	486,559	192,212
Satisfaction of program restrictions	12,965	5,205
Total Revenues	\$25,782,071	\$23,166,378
Expenses		
<i>Program services:</i>		
Publishing	6,351,901	6,166,243
Seminar	6,021,607	5,415,340
Education	2,566,945	2,524,895
Certification program	1,445,526	1,286,670
Publications and merchandise sales	1,201,185	1,320,351
Awards and scholarships	128,167	97,643
Foundation Dinner	162,796	154,910
Charity golf	36,959	33,337
<i>Support services:</i>		
Membership and general	6,070,029	5,819,349
Fundraising	43,232	332
Total Expenses	\$24,028,347	\$22,819,070
Increase in Net Assets Before Unrealized Gain on Investment	1,753,724	347,308
Unrealized gain on investment	1,215,376	2,847,342
Change in Unrestricted Net Assets	\$ 2,969,100	\$ 3,194,650

The accompanying notes are an integral part of these statements.

ASIS International and Affiliate

Consolidated Statements of Activities and Changes in Net Assets—Continued

December 31,	2004	2003
Changes in Temporarily Restricted Net Assets		
Revenue		
Investment income	\$ 10,423	\$ 2,556
Satisfaction of program restrictions	(12,965)	(5,205)
Decrease in Net Assets Before Unrealized Gain on Investment	(2,542)	(2,649)
Unrealized gain on investment	9,020	29,037
Change in Temporarily Restricted Net Assets	6,478	26,388
Change in Permanently Restricted Net Assets		
Revenue		
Donations by:		
Chapters	1,970	19,571
Companies	5,030	—
Individuals	2,240	—
Other revenue	9,000	—
Change in Permanently Restricted Net Assets	18,240	19,571
Change in Net Assets	2,993,818	3,240,609
Net Assets , beginning of year	14,075,205	10,834,596
Net Assets , end of year	\$17,069,023	\$14,075,205

The accompanying notes are an integral part of these statements.

ASIS International and Affiliate

Consolidated Statements of Cash Flows

Year ended December 31,	2004	2003
Increase (Decrease) in Cash		
Cash Flows from Operating Activities		
Change in net assets	\$2,993,818	\$3,240,609
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	608,340	724,746
Unfunded post-retirement benefits expense	479,269	390,656
Unrealized gain on long-term investments	(1,224,396)	(2,876,379)
Realized (gain) loss on long-term investments	(60,404)	24,264
Gain on disposal of fixed asset	10,306	—
Changes in assets and liabilities:		
Account receivable	(98,057)	89,796
Inventory	(69,307)	(68,032)
Other assets	(87,511)	(378,469)
Prepaid assets	(249,731)	21,212
Accounts payable	604,637	(684,479)
Accrued liabilities	83,106	226,259
Dues, subscriptions, fees, and rents collected in advance	761,906	1,910,016
Deferred rent	—	(17,255)
Net Cash Provided by Operating Activities	3,751,976	2,602,944
Cash Flows from Investing Activities		
Capital expenditures for property and equipment	(213,205)	(764,177)
Proceeds from sale of investments	1,812,377	844,000
Purchases of investments	(5,086,442)	(2,756,671)
Net Cash Used in Investing Activities	(3,487,270)	(2,676,848)
Cash Flows from Financing Activities		
Principal payments under mortgage note	(131,271)	(121,432)
Net Increase (Decrease) in Cash	133,435	(195,336)
Cash, beginning of year	273,680	469,016
Cash, end of year	\$ 407,115	\$ 273,680

The accompanying notes are an integral part of these statements.

ASIS International and Affiliate

Notes to Consolidated Financial Statements

December 31, 2004 and 2003

Note A—Summary of Significant Accounting Policies

The accompanying consolidated financial statements include the accounts of ASIS International (International) and its affiliate, ASIS Foundation, Inc. (the Foundation). A summary of significant accounting policies applied in the preparation of the consolidated financial statements follows.

Organization Status

International is a not-for-profit organization, which disseminates information and educational materials to enhance security knowledge, practice, and performance. The major sources of revenue are from education fees, exhibit fees, communications advertising, membership dues and fees, and investment income. International publishes a monthly magazine, *Security Management*, in which it sells advertising space for security industry items. Members are charged dues for the benefits received from International.

The Foundation operates as a non-profit research and educational organization. It undertakes programs and projects for advancement of professional standards and effective programs in the field of security protection and loss prevention.

The Foundation's primary services are to provide scholarships for students and security management professionals and to encourage research on behalf of the security industry. The Foundation's major sources of support are charitable donations and contributions, an annual fundraising dinner, and donated services and facilities.

Principles of Consolidation

The financial statements of International and the Foundation (collectively, ASIS) have been consolidated in accordance with accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

ASIS generally considers all highly liquid temporary investments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Following the provisions of Statement of Financial Accounting Standards No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, ASIS's policy is to record all investments in equity securities with readily determinable fair values, and all investments in debt securities at fair value, with realized and unrealized gains and losses included in the statement of activities. Purchases and sales of investments are recorded on the trade date. Unrealized gains and losses on investments are considered to be non-operating income.

Other Assets

Other assets include the rights related to the *Buyer's Guide* and *Protection of Assets Manual*. The rights were recorded at cost and are being amortized over 10 years under the straight-line method. Amortization expense for 2004 and 2003 was \$80,000.

Inventory

Inventories consisting of goods held for resale are valued at the lower of cost or market, using the first-in, first-out method.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are calculated under the straight-line method to recover the cost of the property over the following useful lives:

Building	39 years
Office furniture and equipment	3-10 years
Computer software	3 years
Computer hardware	3 years
Leasehold improvements	Remaining term of lease

ASIS capitalizes all capital asset purchases greater than \$1,000.

Deferred Revenue

Deferred revenue consists of cash received in advance of the service period for rent, membership dues, subscriptions, education programs, and seminar exhibit booth registration.

Net Assets

ASIS's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with restrictions placed on available resources. As such, resources are classified for accounting and reporting into funds established according to their nature and purpose. Funds that have similar characteristics have been consolidated in the financial statements into three net asset categories: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets—are not restricted by donors, or the donor-imposed restrictions have expired.

Temporarily restricted net assets—represent the unexpended portion of contributions containing donor-imposed restrictions that only permit ASIS to use or expend the assets as specified by the donor. The restrictions are satisfied by the actions of ASIS or time.

Permanently restricted net assets—represent contributions containing donor-imposed restrictions that stipulate the resources be maintained in perpetuity, but permit ASIS to use or expend part of the income derived from the donated assets.

ASIS International and Affiliate

Notes to Consolidated Financial Statements—Continued

December 31, 2004 and 2003

Note A—Summary of Significant Accounting Policies—Continued

Net Assets—Continued

Contributions are considered available for unrestricted use by ASIS unless specifically restricted by the donor. Amounts received that are designated for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. If a restriction is fulfilled in the same period in which the contribution is received, ASIS reports the support as unrestricted.

Income Tax Status

International is an organization exempt from federal taxes under Section 501(c)(6) of the Internal Revenue Code (IRC). Qualified organizations as defined in this Section are taxable only on unrelated business income.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the IRC.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2003 consolidated financial statements to conform to the 2004 presentation.

Note B—Investments

Realized gains are computed as the difference between cash received upon the sale of investments and the historical cost of the investments.

Investments are carried at market value. Components of investments are as follows at December 31:

	2004		2003	
	Cost	Market	Cost	Market
International				
Money funds	\$ 35,661	\$ 35,661	\$ 57,714	\$ 57,714
Mutual funds	22,084,269	21,085,420	18,877,263	16,845,129
Common stock	1,306,553	1,709,572	1,223,659	1,453,750
	23,426,483	22,830,653	\$20,158,636	\$18,356,593
Foundation				
Mutual funds	576,205	591,487	509,582	506,682
Total Investment portfolio	\$24,002,688	\$23,422,140	\$20,668,218	\$18,863,275

Composition of International's investment income is as follows for the years ended December 31:

	2004	2003
Realized gain (loss)	\$ 59,762	\$ (14,288)
Interest and dividends	420,462	203,743
Investment income	480,224	189,455
Unrealized gain on investments	1,206,213	2,815,652
	\$1,686,437	\$3,005,107

Composition of investment return for the Foundation is as follows for the years ended December 31:

	2004	2003
Realized gain (loss)	\$ 642	\$ (9,976)
Interest and dividends	16,116	15,290
Investment income	16,758	5,314
Unrealized gain on investments	18,183	60,726
	\$34,941	\$66,040

Note C—Related Parties

The Board members of the Foundation are appointed by the President of International. Approximately 58 percent of the Foundation's support was provided by International in the form of donated services and facilities in 2004 and 2003, respectively.

International currently pays the salaries and benefits of the employees of the Foundation. In 2004 and 2003, these payments totaled \$168,093 and \$160,579, respectively.

ASIS International and Affiliate

Notes to Consolidated Financial Statements—Continued

December 31, 2004 and 2003

Note C—Related Parties—Continued

Effective January 1, 1993, International agreed to pay all the indirect overhead expenses of the Foundation. In 2004 and 2003, the proportionate share of rent and overhead expenses paid by International on behalf of the Foundation was \$229,584 and \$223,688, respectively.

International also contributed \$42,349 and \$48,785 for the Foundation Dinner during 2004 and 2003, respectively.

All activity between International and the Foundation has been eliminated during consolidation.

Note D—Property and Equipment

Property and equipment are recorded at acquisition cost and consists of the following:

	2004	2003
Building	\$ 7,398,950	\$ 7,398,950
Office furniture and equipment	1,216,954	1,111,828
Computer software	737,769	717,653
Computer hardware	1,068,534	992,938
Land	1,599,086	1,599,086
Leasehold improvements	823,378	823,378
	12,844,671	12,643,833
Less: accumulated depreciation and amortization	(4,326,820)	(3,720,541)
	\$ 8,517,851	\$ 8,923,292

Note E—Mortgage Note Payable

Mortgage note payable consists of the following at December 31:

	2004	2003
Mortgage note payable in monthly installments of \$48,197 and a balloon payment of \$5,060,922; due January 1, 2008; interest at a fixed rate of 7.99 percent; secured by first deed of trust on the Alexandria, Virginia, property, furniture, fixtures, and property attached to the building, and leases relating to the building.	\$ 5,527,876	\$5,659,147

Maturities of mortgage note payable consist of the following as of December 31, 2004:

Year ending December 31,	
2005	142,152
2006	153,936
2007	170,866
2008	5,060,922
Total	\$5,527,876

Note F—Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	Net Assets at January 1, 2004	Revenue	Satisfaction of Program Restrictions	Net Assets at December 31, 2004
Nicholas Abbatoccola Endowment	\$ 856	\$ 819	\$ (792)	\$ 883
Marion Parker Scholarship Fund	2,982	532	(500)	3,014
Healy Endowment	4,348	502	—	4,850
Interest for Scholarships				
John Buckley Endowment	38,158	6,546	(7,160)	37,544
Interest for Scholarships or Research Projects				
John Manning Endowment	5,607	6,807	(4,513)	7,901
Interest for Scholarships				
Noggle Fund	8,394	2,451	—	10,845
Ralph E. Pusey Scholarship Fund	578	560	—	1,138
September 11th Memorial Fund	1,422	1,226	—	2,648
	\$62,345	\$19,443	\$(12,965)	\$68,823

ASIS International and Affiliate

Notes to Consolidated Financial Statements—Continued

December 31, 2004 and 2003

	Net Assets at January 1, 2003	Revenue	Satisfaction of Program Restrictions	Net Assets at December 31, 2003
Nicholas Abbaticola Endowment	\$ (552)	\$ 1,408	\$ —	\$ 856
Marion Parker Scholarship Fund	2,067	915	—	2,982
Healy Endowment	3,523	825	—	4,348
Interest for Scholarships				
John Buckley Endowment	31,315	10,758	(3,915)	38,158
Interest for Scholarships or Research Projects				
John Manning Endowment	(6,004)	11,611	(4,513)	5,607
Interest for Scholarships				
Noggle Fund	5,263	3,871	(740)	8,394
Ralph E. Pusey Scholarship Fund	115	1,013	(550)	1,138
September 11th Memorial Fund	230	1,192	—	1,422
	\$35,957	\$31,593	\$(5,205)	\$62,345

Note G—Permanently Restricted Net Assets

Permanently restricted net assets represent the principal amount of gifts and bequests accepted with the donor stipulation that the principal be maintained intact in perpetuity with only the income to be utilized. Income earned is recorded as temporarily restricted revenue until spent.

The permanently restricted net assets are limited to investments in perpetuity, the income for which is expendable to support scholarships.

	Balance at January 1, 2004	Additions	Balance at December 31, 2004
Nicholas Abbaticola Endowment	\$ 14,615	\$ —	\$ 14,615
Marion Parker Endowment	7,075	—	7,075
Healy Endowment	2,000	—	2,000
John Buckley Endowment	44,687	—	44,687
John Manning Endowment	122,985	7,270	130,255
Noggle Endowment	37,900	—	37,900
General Endowment	23,491	—	23,491
Pusey Endowment	10,000	—	10,000
September 11th Endowment	21,744	10,970	32,714
	\$284,497	\$18,240	\$302,737

	Balance at January 1, 2003	Additions	Balance at December 31, 2003
Nicholas Abbaticola Endowment	\$ 14,615	\$ —	\$ 14,615
Marion Parker Endowment	7,075	—	7,075
Healy Endowment	2,000	—	2,000
John Buckley Endowment	40,685	4,002	44,687
John Manning Endowment	121,985	1,000	122,985
Noggle Endowment	33,400	4,500	37,900
General Endowment	23,491	—	23,491
Pusey Endowment	10,000	—	10,000
September 11th Endowment	11,675	10,069	21,744
	\$264,926	\$19,571	\$284,497

ASIS International and Affiliate

Notes to Consolidated Financial Statements—Continued

December 31, 2004 and 2003

Note H—Dues Income Allocation

International allocates a percentage of income from membership dues (net of processing fee) to the Publishing Department. The percentage of membership dues allocated was 32 percent for 2004 and 2003, and is included in publishing revenue.

Note I—Employee Benefits

Pension Plans

ASIS has a non-contributory, defined contribution, money purchase pension plan covering employees who are at least 21 years of age and who have one full year of service. ASIS is required to contribute 12 percent of all eligible employees' annual compensation based upon the prior-year salary, and the plan is fully funded through the purchase of a group annuity contract. The contributions for the years ended December 31, 2004 and 2003 were \$389,576 and \$387,565, respectively.

ASIS has a qualified profit-sharing plan under Section 401(k) of the Internal Revenue Code, covering employees with one year of service. Under this plan, the eligible employees may voluntarily elect to have any amount of their compensation deferred and contributed to the plan, up to the IRC maximum for the year. Additionally, ASIS is required to contribute 2 percent of the compensation of all the eligible employees, and will match the employees' voluntary contributions up to an additional 4 percent. The total contributions for the years ended December 31, 2004 and 2003, were \$170,330 and \$144,697, respectively.

Health Plan

ASIS is partially self-insured for medical coverage for its employees, utilizing stop-loss policies to limit its exposure.

Post-retirement Benefit Plan

International has a defined benefit post-retirement plan that provides medical, prescription, vision, and dental benefits for retirees and eligible dependents (see Note K for additional discussion).

Note J—Commitments and Contingencies

Rental Operations

International leased office space in Arlington, Virginia. The term of the lease was 10 years, and expired in March 2003. During the 10-year term of the lease, the lease included a provision for annual rent escalations based on rates per square foot. Rent expense paid under the operating lease for 2004 and 2003 was \$-0- and \$122,790, respectively.

After its move to a new headquarters building, International subleased its Arlington office space for the remaining term of the lease.

Beginning in January 1998, International signed operating lease agreements for its headquarters building. The agreements expire at varying times over the next seven years. Future rental receipts expected under noncancelable operating leases are as follows at December 31, 2004:

Year ending December 31,	Rental Income
2005	\$260,040
2006	\$249,327
2007	\$233,207
2008	\$118,174
2009	\$109,552
Thereafter	\$122,523
	\$1,092,823

Rental operations consist of the following for the year ended December 31, 2004:

	Arlington	Alexandria	Total
Gross rent	\$ —	\$331,193	\$331,193
Earned rental income	—	—	—
Building operating expenses attributable to rental activities	—	(265,988)	(265,988)
	\$ —	65,205	65,205

Rental operations consist of the following for the year ended December 31, 2003:

	Arlington	Alexandria	Total
Gross rent	\$182,770	\$254,589	\$437,359
Earned rental income	—	(6,537)	(6,537)
Building operating expenses attributable to rental activities	(131,210)	(285,510)	(416,720)
	\$ 51,560	\$ (37,458)	\$ 14,102

ASIS International and Affiliate

Notes to Consolidated Financial Statements—Continued

December 31, 2004 and 2003

Note J—Commitments and Contingencies—Continued

Rental Operations—Continued

International leases office equipment for its Alexandria office. Future minimum lease payments under the noncancelable operating lease are as follows at December 31, 2004:

Year ending December 31,	Minimum Lease Payments
2005	\$ 77,517
2006	25,839
	\$103,356

Note K—Post-Retirement Benefit Obligation

International has a defined benefit post-retirement plan that provides medical, prescription, vision, and dental benefits for retirees and eligible dependents. International does not fund retiree healthcare benefits in advance, and has the right to modify the plan in the future. International has established plan cost maximums to account for and control future medical costs more effectively. The costs of such benefits, which are primarily for healthcare, are recognized in the financial statements during the employee's active working career. International makes contributions to the plan when payments are required.

	2004	2003
Benefit obligation at December 31	\$3,764,430	\$2,828,449
Accrued post-retirement medical benefit cost recognized in statement of financial position	\$3,080,170	\$2,600,901
	2004	2003
Benefit cost	\$479,269	\$390,656
Employer contribution	\$ 51,619	\$ 20,835
Benefits paid	\$ 51,619	\$ 20,835

The following benefits payments, which reflect expected future service, as appropriate, are expected to be paid:

	Post-retirement Benefits
2005	\$ 51,600
2006	61,200
2007	81,100
2008	125,900
2009	152,200
2010-2015	1,635,100
	\$2,107,100

The measurement dates for determining the actuarial calculations for the Plan is January 1, 2004.

The Plan's actuary has advised International that its net periodic postretirement benefit cost for the year ending December 31, 2005, will increase to approximately \$615,000.

International determines its assumptions based on historical SFAS No. 106, *Employers Accounting for Postretirement Benefits Other Than the Pensions*, claims costs, combined with plan experience, plan provisions, and trends. Assumptions used in accounting for the Plan were as follows at December 31:

	2004	2003
Discount rate	6.0%	6.5%
Assumed medical trend rate		
Pre-Medicare	12.0%	11.0%
Post-Medicare	9.0	11.0%
Ultimate medical cost trend rate	5.0%	5.0%

Note L—Supplemental Cash Flow Disclosures

The following amounts were paid for interest and income taxes for the years ended December 31:

	2004	2003
Interest	\$331,524	\$340,748
Income taxes	\$ —	\$ —

Report of Independent Certified Public Accountants

Board of Directors
ASIS International

We have audited the accompanying consolidated statements of financial position of ASIS International (ASIS) and its affiliate as of December 31, 2004 and 2003, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of ASIS's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASIS's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of ASIS International and its affiliate as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Vienna, Virginia
April 28, 2005