

**AMERICAN CONFERENCE  
OF ACADEMIC DEANS**

REVIEWED FINANCIAL STATEMENTS

For the years ended June 30, 2017 and 2016

# AMERICAN CONFERENCE OF ACADEMIC DEANS

For the Years Ended June 30, 2017 and 2016

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors  
American Conference of Academic Deans  
Washington, DC

We have reviewed the accompanying financial statements of the American Conference of Academic Deans (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Report on 2016 Financial Statements

The financial statements of the Organization as of June 30, 2016, were reviewed by other accountants whose report dated September 28, 2016, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*E. Cohen and Company CPAs*

October 6, 2017

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2017 AND 2016

### ASSETS

	<u>2017</u>	<u>2016</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 240,496	\$ 233,883
Account receivable	1,542	4,179
Inventory	1,092	1,764
Prepaid expenses	2,653	2,650
Income tax receivable	-	815
	<hr/>	<hr/>
<b>Total current assets</b>	245,783	243,291
<b>Non-current assets</b>		
Website development costs, net	6,500	-
	<hr/>	<hr/>
<b>Total assets</b>	<u>\$ 252,283</u>	<u>\$ 243,291</u>

### LIABILITIES AND NET ASSETS

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 9,578	\$ 34,853
Due to AAC&U	27,660	20,266
Deferred revenue	59,490	49,900
Income tax payable	1,445	-
	<hr/>	<hr/>
<b>Total current liabilities</b>	98,173	105,019
<b>Net assets</b>		
Unrestricted Net Assets	154,110	138,272
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<u>\$ 252,283</u>	<u>\$ 243,291</u>

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue		
Membership dues	\$ 83,880	\$ 83,485
Meetings and other fees	68,314	105,896
Publication sales	1,956	3,440
ACAD workshops	1,809	2,623
In-kind donations	1,500	4,500
Job listing income	10,500	23,150
Career services center	27,024	-
	<hr/>	<hr/>
<b>Total revenue</b>	194,983	223,094
	<hr/>	<hr/>
Expenses		
Program	140,322	167,667
General and administrative	38,823	37,181
	<hr/>	<hr/>
<b>Total expenses</b>	179,145	204,848
	<hr/>	<hr/>
<b>Change in net assets</b>	15,838	18,246
	<hr/>	<hr/>
<b>Unrestricted net assets, beginning</b>	138,272	120,026
	<hr/>	<hr/>
<b>Unrestricted net assets, ending</b>	<u>\$ 154,110</u>	<u>\$ 138,272</u>

## AMERICAN CONFERENCE OF ACADEMIC DEANS

### STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Program	General and Administrative	Total	Program	General and Administrative	Total
Personnel costs	\$ 60,842	\$ 29,967	\$ 90,809	\$ 54,441	\$ 26,815	\$ 81,256
Accounting	5,564	2,741	8,305	5,457	2,688	8,145
Bank and credit card fees	6,571	-	6,571	7,999	-	7,999
Federal and state income taxes	1,445	-	1,445	3,917	-	3,917
Insurance	-	2,650	2,650	-	2,667	2,667
Internet	2,058	-	2,058	1,159	-	1,159
Meetings	55,539	-	55,539	82,115	-	82,115
Membership management software	1,446	-	1,446	1,215	-	1,215
Office expenses	3,639	1,796	5,435	4,350	2,222	6,572
Resource handbook	450	222	672	732	360	1,092
Postage and delivery	77	38	115	61	30	91
Printing and reproduction	346	-	346	406	-	406
Professional fees	1,340	660	2,000	1,340	660	2,000
Rent	1,005	495	1,500	3,015	1,485	4,500
Staff development	-	254	254	-	254	254
Peer conferencing project	-	-	-	1,160	-	1,160
Amortization and depreciation	-	-	-	300	-	300
<b>Total expenses</b>	<b>\$ 140,322</b>	<b>\$ 38,823</b>	<b>\$ 179,145</b>	<b>\$ 167,667</b>	<b>\$ 37,181</b>	<b>\$ 204,848</b>

See independent accountant's review report and notes to financial statements.

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<b>2017</b>	<b>2016</b>
Cash flows from operating activities		
Changes in net assets	\$ 15,838	\$ 18,246
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization and depreciation	-	300
Net changes in:		
Account receivable	2,637	(4,179)
Income tax receivable	815	(815)
Inventory	672	1,092
Prepaid expenses	(3)	17
Accounts payable and accrued expenses	(25,275)	28,100
Due to AAC&U	7,394	1,100
Deferred revenue	9,590	(7,425)
Income tax payable	1,445	(1,055)
<b>Net cash provided by operating activities</b>	<b>13,113</b>	<b>35,381</b>
Cash flows from investing activities		
Development of website	(6,500)	-
<b>Net cash used in investing activities</b>	<b>(6,500)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,613</b>	<b>35,381</b>
<b>Cash and cash equivalents, beginning</b>	<b>233,883</b>	<b>198,502</b>
<b>Cash and cash equivalents, ending</b>	<b>\$ 240,496</b>	<b>\$ 233,883</b>
<b>Supplemental disclosure of cash flows:</b>		
Taxes paid	\$ -	\$ 5,789

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

### 1. Description of organization

The American Conference of Academic Deans (the Organization) was incorporated in 1975. It is an individual membership organization dedicated to the professional development of academic leaders. Recognizing that provosts, deans, and other academic administrators undertake academic leadership as their “second discipline,” the Organization’s mission is to assist these leaders as they advance in careers dedicated to the ideals of liberal education. Through meetings and workshops relevant to the current and future directions of higher education, the Organization facilitates professional networking across institutional types in order to promote collaboration, innovation, and effective practice. The Organization’s vision is to be recognized as a leader in promoting the effective practice of academic leadership in higher education. The Organization’s members are located predominantly throughout North America.

### 2. Summary of significant accounting policies

#### **Basis of accounting**

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

#### **Basis of presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no temporarily restricted or permanently restricted net assets at June 30, 2017 and 2016.

#### **Cash and cash equivalents**

The Organization considers cash and cash equivalents to be cash held in checking, savings and investment accounts that are available on demand, including all money market funds.

#### **Accounts receivable**

Accounts receivable are valued at management’s estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Organization’s historical collection experience. The allowance for uncollectible accounts receivable was zero at June 30, 2017 and 2016.

#### **Inventory**

Inventory consists of copies of the Resource Handbook and is valued at lower of cost or market, with cost determined by using the first-in, first-out method.

#### **Property and equipment**

The Organization follows the practice of capitalizing, at cost, all expenditures for equipment in excess of \$1,000. If donated, it is capitalized at the fair market value at date of donation. Depreciation of equipment is provided on the straight-line method over estimated useful lives of five years.



# AMERICAN CONFERENCE OF ACADEMIC DEANS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

### 2. Summary of significant accounting policies (continued)

#### **Website development costs**

The Organization follows FASB Accounting Standards Codification (ASC) 350 relating to standards on capitalizing website development costs. Amortization of website development costs is provided on the straight-line method over an estimated useful life of five years.

#### **Deferred revenue**

Deferred revenue consists of membership dues collected in advance. Dues are recorded as deferred revenue upon receipt and are recognized as revenue ratably over the period to which the fees relate.

#### **Net asset classification**

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operations of the Organization.

#### **Functional allocation of expenses**

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

#### **Advertising costs**

The Organization expenses advertising costs as they are incurred.

#### **Income taxes**

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been granted public charity status under Internal Revenue Code Section 509(a)(2). However, income derived from activities unrelated to the Organization's exempt function is taxable under the Code. This unrelated business taxable income arises from job listings on the Organization's website. A provision for unrelated business income tax of \$1,455 and \$3,917 has been made in the accompanying financial statements for the years ended June 30, 2017 and 2016, respectively. The income tax expense is included in program expense in the Statements of Activities.

The income tax positions taken by the Organization for any years open under the various statutes of limitations are that the Organization continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. The Organization believes that there are no positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of the Organization's federal or state income tax returns are currently under examination.

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

### 2. Summary of significant accounting policies (continued)

#### Donated facilities

Donated facilities are reflected in the accompanying financial statements at the estimated fair value at the date of donation.

#### Fair value measurements

The Organization follows FASB ASC 820 relating to standards on fair value measurement, which apply whenever other authoritative literature requires certain assets and liabilities to be measured at fair value.

Items carried at fair value on a recurring basis consist primarily of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets and liabilities. The Organization also uses fair value concepts to test various long-lived assets for impairment, if applicable.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 3. Property and equipment

Property and equipment consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 1,502	\$ 1,502
Less: accumulated depreciation	<u>(1,502)</u>	<u>(1,502)</u>
Net property and equipment	<u>\$ --</u>	<u>\$ --</u>

Depreciation expense was \$-0- and \$300 for the years ended June 30, 2017 and 2016, respectively.

### 4. Website development costs

Website development costs, capitalized during the year ended June 30, 2017, consist of upgrades and enhancements that increase functionality. These capitalized website development costs are not in service at June 30, 2017 and, as such, no amortization expense has been recognized for the year ended June 30, 2017.

# AMERICAN CONFERENCE OF ACADEMIC DEANS

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

### 5. Related party transactions

The Association of American Colleges and Universities (AAC&U), a related party through common management, provides administrative services to the Organization. The Organization also occupies space within the offices of AAC&U subject to normal maintenance costs. For the years ended June 30, 2017 and 2016, the Organization paid AAC&U \$2,000 for administrative services.

In addition, the Organization paid AAC&U \$90,809 and \$81,256 for personnel costs and AAC&U paid the Organization \$15,000 of the registration fees of the joint annual meeting for the years ended June 30, 2017 and 2016, respectively.

AAC&U maintains a defined contribution retirement plan for eligible employees. Participants receive an employer contribution of an amount equal up to ten percent of the employee's salary subject to Internal Revenue Code limitations. For the years ended June 30, 2017 and 2016 retirement expense included in the personnel costs paid by the Organization was \$6,926 and \$6,115, respectively.

At June 30, 2017 and 2016, \$27,660 and \$20,266 was due to AAC&U for expenses paid on the Organization's behalf, respectively.

### 6. In-kind donations

During the years ended June 30, 2017 and 2016, the Organization received in-kind donations of facilities with a fair value of \$1,500 and \$4,500, respectively.

### 7. Subsequent events

Management of the Organization has evaluated events and transactions that occurred after June 30, 2017 and through October 6, 2017, the date the financial statements were available to be issued and has determined that no subsequent events or transactions have occurred that require recognition or disclosure in the financial statements.