

Association of Community College Trustees

Audited Financial Statements and Supplemental Information

*Years ended June 30, 2017 and 2016
with Report of Independent Auditors*

Association of Community College Trustees

Audited Financial Statements and Supplemental Information

Years ended June 30, 2017 and 2016

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Report of Independent Auditors

To the Finance & Audit Committee
Association of Community College Trustees
Washington, D.C.

We have audited the accompanying financial statements of the Association of Community College Trustees ("the Association"), which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities, changes in net assets and cash flows for 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.

Auditor's 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 audits 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 auditor's 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.

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 net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Activities for the Year Ended June 30, 2017 - Budget to Actual and Schedule of Natural Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style with large loops and flourishes.

Vienna, Virginia
September 7, 2017

Association of Community College Trustees

Statements of Financial Position

	June 30,	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,612,343	\$ 3,182,541
Accounts receivable	143,853	400,470
Prepaid expenses	203,321	167,416
Publication inventory	36,706	40,209
Total current assets	3,996,223	3,790,636
Investments	3,841,985	3,482,932
Deferred compensation plan assets	90,039	-
Property and equipment, net	721,365	838,356
Deposits	82,199	95,538
Receivable for subscribers savings account	14,804	23,491
Total assets	\$ 8,746,615	\$ 8,230,953
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 172,155	\$ 257,622
Deferred revenue	2,523,284	2,572,777
Income taxes payable	1,800	-
Current portion of capital lease obligation	23,208	22,740
Total current liabilities	2,720,447	2,853,139
Capital lease obligation, net of current portion	35,709	58,917
Deferred rent expense	1,020,999	1,043,321
Deferred compensation liability	90,039	-
Total liabilities	3,867,194	3,955,377
Unrestricted net assets:		
General	4,198,895	3,582,073
Board designated:		
ACCT Trust	192,983	198,253
Categorical	487,543	495,250
Total board designated net assets	680,526	693,503
Total net assets	4,879,421	4,275,576
Total liabilities and net assets	\$ 8,746,615	\$ 8,230,953

See accompanying notes to the financial statements.

Association of Community College Trustees

Statements of Activities

	Years ended June 30,	
	2017	2016
Revenue		
Membership dues	\$ 2,676,277	\$ 2,569,363
Board services	1,264,529	1,478,838
Annual convention fees	1,467,389	1,437,759
National Legislative Summit	592,559	519,555
Contributions, grants and sponsorships	277,649	589,468
Institutes	341,166	271,925
Federal relations	267,312	500
Trustee education	164,080	14,679
Investment income	81,262	38,166
Regular publications	8,444	6,666
Other income	65,083	70,733
Total revenue	7,205,750	6,997,652
Expenses		
Educational program services:		
Board services	1,087,560	1,286,320
Annual convention	942,155	1,048,167
National Legislative Summit	450,257	465,933
Governance Institute for Student Success	200,878	193,539
Trustee education	161,799	36,356
	2,842,649	3,030,315
Member services:		
General membership services	680,174	704,754
Federal relations	896,751	608,916
Regular publications	265,270	238,279
	1,842,195	1,551,949
Supporting services:		
General and administrative	1,184,245	1,245,810
Association board operations	486,177	446,330
Grants and contributions	519,665	715,055
	2,190,087	2,407,195
Total expenses	6,874,931	6,989,459
Change in net assets before realized and unrealized gains	330,819	8,193
Realized and unrealized gains (losses) on investments, net	291,365	(128,254)
Realized loss on sale and abandonment of property and equipment	(18,339)	-
Change in net assets	603,845	(120,061)
Net assets, beginning of year	4,275,576	4,395,637
Net assets, end of year	\$ 4,879,421	\$ 4,275,576

See accompanying notes to the financial statements.

Association of Community College Trustees

Statements of Changes in Net Assets

	Board Designated				Total
	General	ACCT Trust	Categorical	Total Board Designated	
Net assets, June 30, 2015	\$ 3,814,642	\$ 201,456	\$ 379,539	\$ 580,995	\$ 4,395,637
Revenue and support	6,997,652	-	-	-	6,997,652
Expenses	(6,989,459)	-	-	-	(6,989,459)
Realized and unrealized gains on investments, net	<u>(128,254)</u>	-	-	-	<u>(128,254)</u>
Change in net assets before transfers	<u>(120,061)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,061)</u>
Transfers:					
Interest allocation	(2,099)	2,099	-	2,099	-
Additions of property and equipment	49,297	-	(49,297)	(49,297)	-
Depreciation expense	(165,008)	-	165,008	165,008	-
Life member fees collected	(5,000)	5,000	-	5,000	-
Amortization of life member fees	10,302	(10,302)	-	(10,302)	-
	<u>(112,508)</u>	<u>(3,203)</u>	<u>115,711</u>	<u>112,508</u>	<u>-</u>
Net assets, June 30, 2016	3,582,073	198,253	495,250	693,503	4,275,576
Revenue and support	7,205,750	-	-	-	7,205,750
Expenses	(6,893,270)	-	-	-	(6,893,270)
Realized and unrealized gains on investments, net	291,365	-	-	-	291,365
Change in net assets before transfers	<u>603,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,845</u>
Transfers:					
Interest allocation	(1,452)	1,452	-	1,452	-
Additions of property and equipment	7,707	-	(7,707)	(7,707)	-
Amortization of life member fees	6,722	(6,722)	-	(6,722)	-
	<u>12,977</u>	<u>(5,270)</u>	<u>(7,707)</u>	<u>(12,977)</u>	<u>-</u>
Net assets, June 30, 2017	<u>\$ 4,198,895</u>	<u>\$ 192,983</u>	<u>\$ 487,543</u>	<u>\$ 680,526</u>	<u>\$ 4,879,421</u>

See accompanying notes to the financial statements.

Association of Community College Trustees

Statements of Cash Flows

	Years ended June 30,	
	2017	2016
Cash flow from operating activities		
Changes in net assets	\$ 603,845	\$ (120,061)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	124,698	165,053
Realized and unrealized (gains) losses on investments	(291,365)	128,254
Changes in assets and liabilities:		
Accounts receivable	256,617	(78,094)
Prepaid expenses	(35,905)	50,363
Deposits	13,339	38,151
Inventory	3,503	(3,776)
Accounts payable and accrued expenses	(96,576)	65,290
Accrued leave	11,109	19,198
Deferred revenue	(49,493)	148,014
Income taxes payable	1,800	-
Deferred rent expense	(22,322)	(10,638)
Net cash provided by operating activities	519,250	401,754
Cash flows from investing activities		
Purchases of property and equipment	(7,707)	(51,409)
Purchase of investments	(3,379,982)	(224,032)
Sale of investments	3,320,981	203,560
Net cash used in investing activities	(66,708)	(71,881)
Cash flows from financing activities		
Repayments of capital lease principal	(22,740)	(22,283)
Net cash used in financing activities	(22,740)	(22,283)
Net change in cash and cash equivalents	429,802	307,590
Cash and cash equivalents, beginning of year	3,182,541	2,874,951
Cash and cash equivalents, end of year	\$ 3,612,343	\$ 3,182,541
Supplemental cash flow information		
Interest paid	\$ 1,452	\$ 2,099

See accompanying notes to the financial statements.

Association of Community College Trustees

Notes to Financial Statements

Years ended June 30, 2017 and 2016

Note A - Organization and Summary of Significant Accounting Policies

Organization

The Association of Community College Trustees ("the Association") was organized by its members as a nonprofit educational association to help one another fulfill their responsibility to ensure the viability and relevance of their institutions. The Association is devoted solely to meeting the needs of community college Boards of Trustees. These activities are funded primarily through membership dues and fees charged to attend the convention and seminars.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification. Accordingly, revenue is recognized when earned and expenses when the obligations are incurred.

Subsequent Events

The Association has evaluated subsequent events for disclosure and recognition through September 7, 2017, the date on which these financial statements were available to be issued and has considered any relevant matters in preparation of the financial statements and footnotes.

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent asset and liabilities at the date of the financial statements, revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Income Taxes

The Association is exempt from Federal income taxes under the Section 501(c)(3) of the Internal Revenue Code. The Association is required to pay federal and state income taxes only on unrelated business income. In accordance with GAAP, management has concluded that the Association has properly maintained its exempt status and that there are no uncertain tax positions as of June 30, 2017.

Cash and Cash Equivalents

The Association considers all demand deposits to be cash and cash equivalents. Cash and cash equivalents includes \$0 and \$168,723, which is restricted and maintained in a separate account, in accordance with the grant from the Bill and Melinda Gates Foundation as of June 30, 2017 and 2016, respectively.

The Federal Deposit Insurance Corporation ("FDIC") insures amounts on deposit with each financial institution up to limits as prescribed by law. The Association may hold funds with financial institutions in excess of the FDIC insured amounts; however, the Association has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note A - Organization and Summary of Significant Accounting Policies (Continued)

Investments and Fair Value Measurements

The Association's investments consist of money market accounts, certificates of deposit, exchange traded funds ("ETFs") and mutual funds held for long-term purposes. Money market accounts are held at cost, which approximates fair value. ETFs and mutual funds are carried at fair value. Investment income or loss, including any realized and unrealized gains or losses, is included in the statement of activities as an increase or decrease in unrestricted net assets.

In accordance with GAAP, the Association prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The levels of the hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets the Association has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

The Association recognizes transfers between levels at the end of the reporting period, in which events occur causing changes in the availability of inputs to the fair value methodology.

Risks and Uncertainties

The Association invests in various investment instruments. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Accounts Receivable

Accounts receivable consist of billings for board leadership service fees. The Association records an allowance for doubtful collection based on the specific identification method. No allowances were recorded as of June 30, 2017 and 2016.

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note A - Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost and are depreciated over the estimated useful lives of five to ten years using the straight-line method. Computer equipment is capitalized for purchases over \$1,000 and furniture and other office equipment are capitalized for purchases over \$500. Expenditures for major repairs and improvements are capitalized; conversely, expenditures for minor repairs and maintenance costs are expensed when incurred. Property and equipment held under capital leases and leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset. Amortization is included in depreciation expense.

Inventory

Inventory, which consists principally of books and publications held for resale, is stated at the lower of cost or market value and is calculated using the first-in, first-out method of accounting.

Net Assets

The net assets of the Association are unrestricted and represent the portion of expendable funds that are available for support of the Association's operations.

The Board of Directors of the Association has designated certain unrestricted net assets for the purpose of establishing a trust fund. Proceeds from the sale of books and other special projects are contributed to the trust fund. The trust was created to support trustee education.

The Board of Directors has also designated a portion of its unrestricted net assets in a categorical fund to account for the Association's investments in property and equipment. An amount is transferred to the fund annually equal to the annual depreciation taken on a straight-line basis less the amount of property and equipment capitalized during the year.

Revenue Recognition

Membership dues are recognized as revenue in the period to which the dues relate. Accordingly, dues paid by members in advance of the period to which they pertain are reflected in the statements of financial position as deferred revenue.

Revenue earned from conferences, seminars and board services are recognized when the event takes place or services are provided. Receipts received prior to the event or service are recorded as deferred revenue.

Grant revenue is recognized when related expenses are incurred and deferred until such time.

Donated Services

Donated services are recognized if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are recorded at the estimated fair value at the time of the donation and are reflected as contributions and expenses in the accompanying statements of activities.

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note A - Organization and Summary of Significant Accounting Policies (Continued)

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 based on the amount of time worked on each program or activity.

Reclassifications

Certain 2016 balances have been reclassified to conform to the 2017 presentation.

Note B - Accounts Receivable

Accounts receivable is comprised of the following as of June 30:

	<u>2017</u>	<u>2016</u>
Sales, fees and other	\$ 143,853	\$ 400,470
Accounts receivable	<u>\$ 143,853</u>	<u>\$ 400,470</u>

Note C - Investments and Fair Value Measurements

The Association's total return on investments as of June 30 is comprised of the following:

	<u>2017</u>	<u>2016</u>
Net realized and unrealized gains (losses)	\$ 291,365	\$ (128,254)
Interest and dividends	<u>81,262</u>	<u>38,166</u>
Total return	<u>\$ 372,627</u>	<u>\$ (90,088)</u>

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note C - Investments and Fair Value Measurements (Continued)

The following table is a summary of the Association's investments measured at fair value within the GAAP fair value hierarchy as of June 30:

	<u>2017</u>	<u>2016</u>	<u>Fair Value Level</u>
Certificates of deposit	\$ 303,100	\$ 304,280	N/A
Mutual funds:			
Large growth	539,463	451,158	Level 1
Short term bond	496,562	356,166	Level 1
Large blend	493,639	419,995	Level 1
Large value	413,215	355,659	Level 1
Foreign large blend	285,361	313,912	Level 1
Foreign large value	282,692	236,298	Level 1
World bond	231,822	34,495	Level 1
Mid cap value	187,163	-	Level 1
Bank loan	150,535	-	Level 1
Small blend	110,330	44,105	Level 1
Intermediate term bond	76,361	122,054	Level 1
Small value	75,615	140,166	Level 1
Diversified emerging markets	55,945	-	Level 1
Small growth	53,521	93,129	Level 1
Government bond	-	243,177	Level 1
Nontraditional bond	-	186,798	Level 1
Medium value	-	81,247	Level 1
Money market funds	86,661	100,293	Level 1
Total investments	<u>\$ 3,841,985</u>	<u>\$ 3,482,932</u>	

There were no transfers between levels of the fair value hierarchy in 2017 and 2016.

Note D - Property and Equipment

The Association held the following property and equipment as of June 30:

	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ 650,812	\$ 650,812
Furniture and fixtures	507,184	507,184
Equipment	430,458	425,071
Office machines and equipment	197,663	197,663
Website	64,889	62,569
Total property and equipment	1,851,006	1,843,299
Less accumulated depreciation and amortization	(1,129,641)	(1,004,943)
Property and equipment, net	<u>\$ 721,365</u>	<u>\$ 838,356</u>

The Association made no disposals of property and equipment in 2017 and 2016.

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note E - Retirement Plans

The Association sponsors a defined contribution retirement plan for all employees. Annual contributions are made to the plan at a rate of 10% of each participant's annual compensation for all eligible employees. The Association also sponsors a 457(b) and a 457(f) deferred compensation plans for certain executive management members. Contribution expense for the years ended June 30, 2017 and 2016 totaled \$263,295 and \$239,403, respectively, and is included in payroll taxes and benefits in the accompanying supplemental schedule of natural expenses. As of June 30, 2017, the deferred compensation plan assets and corresponding deferred compensation liability totaled \$90,039. The deferred compensation plan assets consist of money market funds using Level 1 inputs in accordance with the fair value hierarchy.

Note F - Commitments and Contingencies

Contingent Liabilities

The Association has entered into several agreements with hotels providing for room accommodations for its seminars and conventions. Many of these agreements contain a clause whereby the Association is liable for liquidated damages in the event of cancellations. The value of such commitments is presumed to be material and is not readily determinable as it is dependent upon attendance and various other factors. The Association has purchased cancellation insurance through 2018 to protect them against potential losses in the event of cancellations. Under this policy, the maximum amount recoverable by the Association for cancellations is approximately \$1,912,000. The maximum recoverable amounts for the Annual Leadership Congress is \$1,362,000 and the National Legislative Summit is \$549,570.

Lease Commitments

The Association has an operating lease agreement for its headquarters in Washington, D.C. that expires on August 31, 2027. Total rent expense for the years ended June 30, 2017 and 2016 was \$484,796 and \$462,914, respectively.

During the fiscal year ended June 30, 2015, the Association executed a lease agreement to replace its lease for the headquarters at 1233 20th Street N.W., Washington D.C., which was set to expire September 1, 2016. This new lease has a 13 year term which commenced September 1, 2014. The headquarters relocated to 1101 17th Street N.W., Washington D.C. upon commencement of the lease. The lease provides the coverage of the Association's rent on the existing lease through September 2016. The lease includes scheduled rent escalations of 2.5% annually, except at the 5th anniversary of the commencement date in which the escalation is \$2.25 per square foot over the rent per square foot in effect for the year immediately prior. In addition, rent for the first 6 months of the lease term was abated.

Association of Community College Trustees

Notes to Financial Statements (Continued)

Note F - Commitments and Contingencies (Continued)

Lease Commitments (continued)

Rent expense is recognized on a straight-line basis over the term of the lease, with the difference between the straight-line rent and the actual rent payments being recorded as deferred rent in the accompanying statement of financial position, in accordance with GAAP. Included in the calculation of the straight-line basis rent expense is leasehold improvement incentives and free rent incentives. Leasehold improvement incentives totaled \$715,845 and free rent incentives included the 6 month rent abatement and \$117,483 in leasehold improvements not used that are able to be applied to future rent payments. Additionally, the lease payments under the old contract which had yet to expired were assumed by the new landlord and totaled \$18,339, which the Association recognized as a loss on abandoned property in the year ended June 30, 2017.

The Association entered into one new lease for office equipment and refinanced an existing lease for office equipment during the year ended June 30, 2015. Both of these leases expire in December 2019 and meet the criteria for capitalization. As of June 30, 2017, this equipment is included in property and equipment at a cost of \$91,337 with accumulated depreciation of \$44,146.

The future minimum lease payments required for all non-cancelable leases as of June 30, 2017 are as follows:

Year	Operating Lease	Capital Leases	Total
2018	\$ 491,014	\$ 24,904	\$ 515,918
2019	503,289	24,904	528,193
2020	524,633	12,453	537,086
2021	539,501	-	539,501
2022	552,989	-	552,989
Thereafter	3,084,061	-	3,084,061
	<u>5,695,487</u>	<u>62,261</u>	<u>5,757,748</u>
Less interest portion	<u>-</u>	<u>(3,344)</u>	<u>(3,344)</u>
Net present value	5,695,487	58,917	5,754,404
Less current portion	<u>-</u>	<u>(23,208)</u>	<u>(23,208)</u>
Long-term portion	<u>\$ 5,695,487</u>	<u>\$ 35,709</u>	<u>\$ 5,731,196</u>

Note G - Related Party Transactions

As of June 30, 2017 and 2016, the Association recorded a subscribers savings account allocation balance of \$14,804 and \$23,491, respectively, from AMHIC, A Reciprocal Association ("AMHIC"). AMHIC provides medical insurance to the Association's eligible employees. The President and CEO of the Association acts as the current Chair of the Board of Directors of AMHIC.

Supplemental Information

Association of Community College Trustees

Supplemental Information

Statement of Activities for the Year Ended June 30, 2017 - Budget to Actual

	Unaudited Budget	Actual
Revenue		
Grants	\$ 867,471	\$ 771,434
Membership dues	2,630,000	2,555,735
Corporate Council member dues	105,000	120,000
Advertising	7,500	10,739
Webinar income	10,000	4,575
Registration revenue	1,521,000	1,895,396
Publication sales	4,500	9,896
Board services fees	1,310,000	1,190,710
Audio visual income	20,000	25,625
Travel reimbursement	83,500	56,300
Reimbursed income	33,000	38,133
Interest income	1,000	2,260
Royalties	1,700	1,680
Accompanying income	400,250	279,244
Dividend income	35,000	79,001
Contributions	105,833	165,022
	\$ 7,135,754	\$ 7,205,750
Total operating revenue		
Expenses		
Allocated benefits	\$ 714,000	\$ 734,724
Salaries	2,544,000	2,516,651
Travel	346,871	358,962
Contract services	579,353	568,394
Legal and audit	117,500	136,099
Printing	195,150	188,385
Supplies	35,598	34,220
Small equipment expense	9,880	4,548
Postage	66,220	61,952
In-house copying	14,060	14,343
Telecommunications	87,050	96,422
Insurance	16,760	37,568
Depreciation & amortization	162,000	124,182
Meals & incidentals	506,275	510,892
Professional development	38,700	513
Bank & credit card fees	115,000	104,648
Subscriptions/dues	16,815	32,807
Meeting expenses	424,422	262,038
Recognition & awards	5,000	4,950
Professional services	442,000	333,047
Computer-equipment repairs/maintenance	8,500	4,380
Audio visual & technician	201,100	181,819
Interest expense	1,500	1,452
Occupancy	469,000	484,796
Advertising expense	19,000	27,229
Miscellaneous	-	49,910
	\$ 7,135,754	\$ 6,874,931
Total operating expense		

Association of Community College Trustees

Supplemental Information

Schedule of Natural Expenses

	Years ended June 30,	
	2017	2016
Salaries	\$ 2,516,651	\$ 2,379,182
Travel and hospitality	869,854	915,750
Payroll taxes and benefits	734,724	683,540
Contracted services	568,394	580,956
Rent	484,796	462,914
Professional services	333,047	419,896
Meetings	266,988	352,133
Printing and copying	202,728	177,824
Audio visual	181,819	252,071
Legal and audit	136,099	114,825
Depreciation and amortization	124,698	165,053
Bank charges	104,648	109,018
Telecommunications	96,422	101,504
Postage	61,952	74,101
Subgrants and subcontracts	42,500	17,500
Insurance	37,052	41,241
Supplies	34,220	37,525
Subscription and dues	32,807	36,017
Advertising	27,229	29,176
Other	4,798	15,537
Repair and maintenance	4,380	6,934
Taxes and fees	3,657	3,916
Cost of goods sold	3,503	2,192
Interest	1,452	2,099
Professional development	513	2,555
Contributions	-	6,000
Total expenses	<u>\$ 6,874,931</u>	<u>\$ 6,989,459</u>