

**AMERICAN COUNCIL FOR
CONSTRUCTION EDUCATION, INC.**

Financial Statements

Year Ended June 30, 2010

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.

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WAYNE E. COLLIE
CERTIFIED PUBLIC ACCOUNTANT

20742 STONE OAK PARKWAY, SUITE 107
SAN ANTONIO, TEXAS 78258
VOICE: (210) 828-1505
FAX: (210) 828-1796

Independent Accountants' Review Report

Board of Directors
American Council for Construction Education, Inc.
San Antonio, Texas

We have reviewed the accompanying statement of financial position of American Council for Construction Education, Inc. (a non-profit organization) as of June 30, 2010 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of American Council for Construction Education, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 conformity with generally accepted accounting principles.

Certified Public Accountants

July 7, 2010

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Statement of Financial Position
June 30, 2010

ASSETS

Current assets:	
Cash and cash equivalents	\$193,419
Accounts receivable (less allowance for bad debts of \$4,400)	196,350
Interest receivable	2,687
Prepaid expenses	4,698
Investments	<u>280,000</u>
Total current assets	<u>677,154</u>
Property and equipment:	
Office equipment	8,571
Less accumulated depreciation	<u>(8,571)</u>
Net property and equipment	<u>0</u>
	<u>\$677,154</u>

LIABILITIES AND UNRESTRICTED NET ASSETS

Current liabilities:	
Deferred revenue	\$224,890
Total current liabilities	<u>224,890</u>
Unrestricted net assets:	
Undesignated	150,828
Designated:	
Team travel	238,365
Dupree Construction Education	<u>63,071</u>
Total unrestricted net assets	<u>452,264</u>
	<u>\$677,154</u>

See accompanying notes and accountants' review report

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.

Statement of Activities
Year Ended June 30, 2010

Support and Revenue:	
Association member dues	\$ 57,200
Organization member dues	15,000
Individual member dues	10,500
Accreditation fees and program dues	193,000
Candidate fees	12,050
Meetings and conferences	84,540
Donations	11,800
Interest and dividend income	7,864
Miscellaneous income	<u>1,300</u>
	<u>393,254</u>
Expenses:	
Accounting fees	3,500
Bad debts	4,400
Dues, memberships and fees	8,759
Equipment and furniture purchases	1,772
Equipment and furniture rental	8,166
Grants	15,667
Insurance	9,293
Meeting and conference expenses	67,576
Miscellaneous expenses	7,601
Office supplies	10,490
Postage and delivery	8,270
Rent	15,225
Repairs and maintenance	1,557
Salaries	120,435
Taxes	9,213
Telephone	3,088
Travel-other	4,763
Travel-visiting teams	<u>54,356</u>
	<u>354,131</u>
Change in net assets	39,123
Net assets at beginning of year	<u>413,141</u>
Net assets at end of year	<u>\$452,264</u>

See accompanying notes and accountants' review report

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Statement of Cash Flows
Year Ended June 30, 2010

Cash flows from operating activities:	
Change in net assets	\$ 39,123
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	(5,600)
Interest receivable	(1,139)
Prepaid expenses	(1,192)
Increase (decrease) in:	
Accounts payable	(2,000)
Deferred revenue	<u>3,485</u>
Net cash provided by operating activities	<u>32,677</u>
Cash flows from investing activities:	
Maturities of certificates of deposit	216,000
Purchases of certificates of deposit	<u>(230,000)</u>
Net cash used in investing activities	<u>(14,000)</u>
Net increase in cash and cash equivalents	18,677
Cash and cash equivalents at beginning of year	<u>174,742</u>
Cash and cash equivalents at end of year	<u>\$ 193,419</u>
Supplemental disclosures:	
Cash paid during the year for:	
Interest	\$ <u>0</u>
Income taxes	\$ <u>0</u>

See accompanying notes and accountants' review report

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Notes to Financial Statements

NOTE 1 – Summary of Significant Accounting Policies

Organization and Nature of Activities

The primary purpose of American Council for Construction Education, Inc. (ACCE) is to promote construction education and to accredit and support college and university construction education programs. ACCE is recognized by the Council for Higher Education Accreditation as the accrediting agency for four year baccalaureate degree programs in construction, construction science, construction management and construction technology. ACCE serves as the accrediting agency of two year associate degree programs as well.

ACCE is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code.

Public Support and Revenue

The major sources of revenue for ACCE are the accreditation fees paid by colleges and universities and dues paid by member trade associations and organizations.

Dues and fees are recognized in the period in which they are due. ACCE uses the allowance method to determine uncollectible accounts. The allowance is based on management's analysis of the candidates and accredited programs.

Estimates

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

Property and Equipment

It is the policy of ACCE to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. No depreciation expense was incurred during the year ended June 30, 2010.

Financial Statement Presentation

ACCE 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. At June 30, 2010 ACCE did not have any temporarily restricted net assets or permanently restricted net assets.

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Notes to Financial Statements

NOTE 1 – (Continued)

Income Taxes

ACCE is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

ACCE considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Date of Management’s Review

Subsequent events have been evaluated through July 7, 2010, which is the date the financial statements were available to be issued.

NOTE 2 – Investments

Investments as of June 30, 2010 consisted of certificates of deposit as follows:

Undesignated	\$ 60,000
Designated – Team travel	190,000
Dupree Construction Education	<u>30,000</u>
	<u>\$280,000</u>
Certificates of deposit maturing within one year	\$280,000
Certificates of deposit maturing after one year	<u>0</u>
	<u>\$280,000</u>

NOTE 3 – Accounts Receivable

Accounts receivable at June 30, 2010 consists of the following:

Association member dues	\$ 44,000
Individual member dues	1,050
Accreditation fees and dues	153,700
Candidate fees	<u>2,000</u>
	200,750
Less: allowance for bad debts	<u>(4,400)</u>
	<u>\$196,350</u>

All accounts receivable are due in less than one year.

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Notes to Financial Statements

NOTE 3 – Accounts Receivable - (Continued)

The allowance for bad debts consists of one account at June 30, 2010. The organization is actively pursuing the account, but it is probable that it will not be collected in the future.

NOTE 4 – Deferred Revenue

Deferred revenue at June 30, 2010 consists of dues and fees billed prior to the end of the fiscal year but not due until the subsequent year. At year end deferred revenue consisted of the following:

Dinner/tour revenue	\$ 2,440
Meeting fees	14,700
Association dues	17,600
Organization dues	1,500
Individual dues	1,650
Accreditation fees	185,000
Candidate fees	<u>2,000</u>
	<u>\$224,890</u>

NOTE 5 – Net Assets

The Board of Trustees designates that a portion of accreditation fees are set aside to cover the expected cost of future accreditation team visits. At June 30, 2010, \$238,365 has been designated for team travel.

ACCE has received donations to the Dan and Jehnell Dupree Construction Education Fund. This fund is to be used for specific projects as determined by the Board. At June 30, 2010, the designated fund balance was \$63,071.

AMERICAN COUNCIL FOR CONSTRUCTION EDUCATION, INC.
Notes to Financial Statements

NOTE 6 – Operating Lease Commitment

ACCE leases office space accounted for as an operating lease. The lease expires April, 2012. Rent expense during the year ended June 30, 2010 was \$15,225.

ACCE also leases certain equipment under monthly operating leases. Rent expense during the year ended June 30, 2010 was \$8,166.

The following is a schedule of future minimum lease payments with initial or remaining non-concealable terms in excess of one year for the years ended June 30:

2011	\$15,225
2012	<u>12,688</u>
	<u>\$27,913</u>

NOTE 7 – Employee Benefit Plan

ACCE provides a salary deferral plan for all of its employees. Plan contributions by ACCE are discretionary. There were no contributions to the plan by ACCE during the year ended June 30, 2010.

NOTE 8 – Compensated Absences

ACCE provides for each employee to accrue one day of sick leave and one day of annual leave each month. The maximum they can accrue is thirty-six days of both sick and annual leave. When an employee terminates, they are not eligible to receive any compensation for unused sick or annual leave.