

Report of the AAEA Finance Committee (2017-2018)

The Finance Committee has monitored and evaluated the financial position of the AAEA and finds it to be satisfactory for the reporting period ending December 31, 2017. The firm Ritz Holman LLP has audited the 2017 financials of the Association and of the Trust. The auditor reports that the AAEA financial statements present the financial position of the AAEA fairly and are in conformity with generally accepted accounting principles.

Audited revenues and expenses for the year 2017—along with the budgeted amounts for 2018 and the audited figures for 2016 and 2015, for comparison—are reported in Table 1 (for the Association) and in Table 2 (for the Trust). As established in the AAEA Constitution, the funds of the Association and the funds of the Trust are managed separately. The funds of the Association are obtained from membership dues and other fees collected by the AAEA for its services and products, and are to be used for recurrent activities in support of the Association’s stated purpose. The Trust is a subsidiary of the Association that solicits, collects, and invests funds other than those generated by the Association, and disburses such funds to support initiatives in the pursuit of broad goals specified in the constitution, under guidelines specified in the Trust’s operating policies

Audited data for the year 2017 show a net operating loss for the Association of \$164,184 (table 1) and a net operating gain of \$32,705 for the Trust (table 2). For both the Association and the Trust accounts, for 2017 we find an investment gain of \$390,456 and \$482,063, respectively. The net gain for the Association was \$226,272 and for the trust was \$514,768. The Balance Sheet reported in Table 3 shows total net assets, as of December 31, 2017, in the amounts of \$2,895,057 for the Association and \$3,092,057 for the Trust. The investment portion of these assets consists of a portfolio of stocks and bonds managed by Vanguard.

This report was prepared with the assistance of Kristen McGuire, an employee of the contractual management firm Executive Director Inc. (EDI) who serves as the Executive Director of the AAEA, and it is submitted by the 2017-2018 AAEA Finance Committee: Allen Featherstone (Chair), David Zilberman, Eric Belasco, and Joleen Hadrich.

July 24, 2018

Table 1. Association Revenues and Expenses

	2018 Budget	2017 Audited	2016 Audited	2015 Audited
Revenues				
Membership dues	\$156,160	\$149,276	\$157,775	\$164,864
AJAE & AEPP & Choice & OUP	378,120	388,478	406,599	376,101
Employment Services	31,750	43,400	37,246	35,366
Annual Meeting	506,875	480,399	551,316	491,510
Symposia	0	41,120	0	17,500
Interest income	1,000	1,258	1,426	2,364
Service fees	2,000	3,515	3,063	2,773
Misc. income	0	0	477	1,131
Section income	46,036	42,736	53,100	46,217
Total Revenue	1,121,941	1,150,182	1,211,002	1,137,826
Expenses				
AJAE & AEPP	86,600	73,611	73,088	71,179
Employment Services	1,500	34	3,138	700
Symposia	0	41,934	0	23,108
Other meetings	18,000	14,725	13,018	6,297
Annual Meeting*	641,352	602,919	593,162	567,500
EDI Management Fee*	342,027	331,832	319,705	333,557
Membership	12,500	10,930	13,178	17,931
Website	3,000	4,883	10,366	4,222
Board of Directors	50,000	40,784	45,684	47,796
Staff travel	4,500	4,494	5,125	5,748
Bank/Credit Card Fees	20,000	18,793	18,755	18,323
Legal/Audit/Tax Fees	20,000	18,390	21,848	14,690
Insurance	16,000	15,038	15,997	14,489
Trust	3,000	34,193	1,782	1,238
Government Relations	35,000	28,048	39,525	21,502
Misc. expenses	21,300	20,411	14,444	5,254
Section expenses	54,905	53,347	51,408	67,222
Total Expenditures	1,329,684	1,314,366	1,240,223	1,220,756
Operating gain (loss)	(207,743)	(164,184)	(29,221)	(82,933)
Investment income (loss)		390,456	140,573	(12,544)
Net gain (loss)	(207,743)	226,272	111,352	(95,477)

*Starting in 2013, the Annual Meeting expenses include the portion of EDI staff time spent organizing this event, and this amount is therefore excluded from the remaining EDI management fee.

Table 2. Trust Revenues and Expenses

	2018 Budget	2017 Audited	2016 Audited	2015 Audited
Revenues				
General Gifts	\$0	\$116,057	\$12,049	\$38,916
Special Purpose Gifts	0	26,820	2,120	2,796
Total Revenue	0	142,877	14,169	41,712
Expenses				
C-FARE	40,000	40,000	40,000	40,000
Outreach	31,750	27,506	38,141	23,470
Galbraith Forum	0	2,737	3,752	5,497
AARES Exchange Program	3,000	2,619	2,953	3,000
Scholarships and Mentorships	0	13,000	15,660	17,096
Graduate Student Travel	14,750	8,453	16,909	13,496
COPAFS	2,566	2,516	2,479	2,479
Workshops	8,000	3,528	11,742	36,072
LILMI Travel Grants	0	29	0	24,502
Investment Fees	0	9,784		
Total Expenses	100,066	131,636	131,636	165,612
Operating gain (loss)	(100,066)	32,705	(117,466)	(123,900)
Investment income (loss)	(17,074)	482,063	183,699	(2,474)
Net gain (loss)	(117,140)	514,768	66,232	(126,374)

Table 3. Balance Sheet

	Association			Trust		
	2016 Audited	2016 Audited	2015 Audited	2016 Audited	2016 Audited	2015 Audited
Assets						
Cash and Cash Equivalents	\$295,819	\$309,679	\$469,920	\$4,235	\$4,235	\$4,235
Accounts and CC Receivable	7,044	32,214	9,918	0	0	0
Prepaid Expenses	27,780	63,345	81,479	0	0	0
Due from Trust	3,309	263,462	145,995	0	0	0
Tax Deposits	0	12	1,690	0	0	0
Investments	2,788,722	2,086,597	1,951,110	3,092,408	2,837,822	2,654,123
Total Assets	3,122,674	2,755,309	2,660,112	3,096,643	2,842,057	2,658,358
Liabilities						
Accounts Payable Including Tax	9,255	20,239	4,377			0
Unearned Dues and Subscriptions	64,515	45,125	64,290			--
Dues Collected	4,132	6,684	16,626			--
Deferred ERS/LCD Grant & WAEA	126,500		105	580	609	609
Deferred Ann. Meeting Exhibitor	6,000					
Non-Current Liabilities	17,215	14,475	17,280			
Due to Association			--	3,309	263,462	145,995
Total Liabilities	227,617	86,523	102,678	3,889	264,071	146,604
Net Assets						
Unrestricted	2,895,057	2,668,786	2,557,434	2,853,357	2,327,399	2,242,639
Temporarily Restricted	--	--	--	239,397	250,587	269,115
Total Net Assets	2,895,057	2,668,786	2,557,434	3,092,754	2,577,986	2,511,754
Total Liabilities and Net Assets	\$3,122,674	\$2,755,309	\$2,660,112	\$3,096,643	\$2,842,057	\$2,658,358