

Report of the AAEA Finance Committee (2016-2017)

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, 2016. The firm Ritz Holman LLP has audited the 2016 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 2016—along with the budgeted amounts for 2017 and the audited figures for 2015 and 2014, 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 2016 show a net operating loss for the Association of \$29,221 (table 1) and a net operating loss of \$118,982 for the Trust (table 2). For both the Association and the Trust accounts, for 2016 we find a net investment gain of \$135,487 and \$183,699, respectively. The net gain for the Association was \$106,266 and the trust was \$64,717. The Balance Sheet reported in Table 3 shows total assets, as of December 31, 2016, in the amounts of \$2,668,786 for the Association and \$2,577,986 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 2016-2017 AAEA Finance Committee: Allen Featherstone (Chair), Scott Swinton, Eric Belasco, and Christine Wilson.

July 21, 2017

Table 1. Association Revenues and Expenses

	2017 Budget	2016 Audited	2015 Audited	2014 Audited
Revenues				
Membership dues	\$155,910	\$157,775	\$164,864	\$157,086
AJAE & AEPP & Choice & OUP	377,378	406,599	376,101	527,235
Employment Services	31,750	37,246	35,366	39,646
Annual Meeting	477,665	551,316	491,510	408,019
Symposia	35,000	0	17,500	65,395
Interest income	1,000	1,426	2,364	2,615
Service fees	2,000	3,063	2,773	3,675
Misc. income	0	477	1,131	513
Section income	56,030	53,100	46,217	38,740
Total Revenue	1,136,733	1,211,002	1,137,826	1,242,924
Expenses				
AJAE & AEPP	81,200	73,088	71,179	74,149
Employment Services	1,500	3,138	700	1,480
Symposia	40,000	0	23,108	60,195
Other meetings	13,450	13,018	6,297	11,446
Annual Meeting*	625,288	597,877	567,500	478,447
EDI Management Fee*	331,832	319,705	333,557	273,112
Membership	12,500	13,178	17,931	13,999
Website	2,900	10,366	4,222	3,449
Board of directors	50,000	45,684	47,796	50,137
Staff travel	4,200	5,125	5,748	4,649
Bank/Credit Card Fees	20,000	18,755	18,323	17,369
Legal/Audit/Tax Fees	20,000	21,848	14,690	16,700
Insurance	16,000	15,997	14,489	14,610
Trust	3,000	1,782	1,238	1,746
Government Relations	30,000	39,525	21,502	--
Misc. expenses	19,075	14,444	5,254	8,116
Section expenses	70,406	46,693	67,222	33,381
Total Expenditures	1,341,351	1,240,223	1,220,756	1,062,985
Operating gain (loss)	(204,618)	(29,221)	(82,930)	179,939
Investment income (loss)		135,487	(12,544)	113,231
Net gain (loss)	\$(204,618)	\$106,226	\$(95,474)	\$293,170

*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

	2017 Budget	2016 Audited	2015 Audited	2014 Audited
Revenues				
General Gifts	\$0	\$12,049	\$38,916	\$44,324
Special Purpose Gifts	0	2,120	2,796	55,521
Total Revenue	0	14,169	41,712	99,845
Expenses				
C-FARE	40,000	40,000	40,000	47,703
Outreach	31,090	31,090	23,470	30,629
Galbraith Forum	0	0	5,497	5,893
AARES Exchange Program	3,000	3,000	3,000	3,000
Scholarships and Mentorships	13,000	12,660	17,096	16,771
Graduate Student Travel	18,500	18,337	13,496	13,805
COPAFS	2,516	2,479	2,479	2,430
Workshops	23,500	20,500	36,072	6,320
LILMI Travel Grants	0	0	24,502	22,606
Investment Fees	10,000	5,085		
Total Expenses	141,606	133,151	165,612	149,157
Operating gain (loss)	(141,606)	(118,982)	(123,900)	(49,312)
Investment income (loss)		183,699	(2,474)	163,288
Net gain (loss)	\$(141,606)	\$64,717	\$(126,374)	\$113,976

Table 3. Balance Sheet

	Association			Trust		
	2016 Audited	2015 Audited	2014 Audited	2016 Audited	2015 Audited	2014 Audited
Assets						
Cash and Cash Equivalents	\$309,679	\$469,920	\$596,112	\$4,235	\$4,235	\$4,243
Accounts and CC Receivable	32,214	9,918	87,569	0	0	0
Prepaid Expenses	63,345	81,479	105,215	0	0	0
Due from Trust	263,462	145,995	120,751	0	0	0
Tax Deposits	12	1,690	967	0	0	0
Investments	2,086,597	1,951,110	1,842,903	2,837,822	2,654,123	2,777,348
Total Assets	2,755,309	2,660,112	2,753,517	2,842,057	2,658,358	2,782,166
Liabilities						
Accounts Payable	20,239	4,377	2,135		0	0
Unearned Dues and Subscriptions	45,125	64,290	78,700		--	--
Dues Collected	6,684	16,626	14,197		--	--
Deferred ERS/LCD Grant & WAEA		105	--	609	609	23,287
Non-Current Liabilities	14,475	17,280				
Due to Association		--	--	263,462	145,995	120,751
Total Liabilities	86,523	102,678	95,032	264,071	146,604	144,038
Net Assets						
Unrestricted	2,668,786	2,557,434	2,657,911	2,327,399	2,242,639	2,444,353
Temporarily Restricted	--	--	--	250,587	269,115	193,775
Total Net Assets	2,668,786	2,557,434	2,657,911	2,577,986	2,511,754	2,638,128
Total Liabilities and Net Assets	\$2,755,309	\$2,660,112	\$2,753,517	\$2,842,057	\$2,658,358	\$2,782,166