

AAPA Annual Meeting of the Executive Committee 2020

Virtual Meeting: 4/15/20

REPORT OF THE TREASURER, Rachel Caspari

Fiscal Year 2019

This report from the Treasurer represents a preliminary account and assessment of the AAPA finances between January 1, 2019 and December 31, 2019 based on an accrual accounting system. As of July, 2017, Burk and Associates have been providing accounting services to the association. With the shift to professional accountants, we transitioned from a cash-based to an accrual-based accounting system, where income and expenditures are recorded when incurred. (Under this system, for example, income generated in the fall of 2018 for 2019 membership and meeting registration is deferred until 2018, and would not be considered 2018 income). The books are not yet closed on the 2019 fiscal year and therefore the figures in this report will still be adjusted. What follows, therefore, is a preliminary financial report.

Bank Balances (TOTAL) 12/31/2018	\$ 275,588
Bank Balances (TOTAL) 12/31/2019	\$ 369,423

	2013	2014	2015	2016	2017*	2018*	2019*
INCOME	501,221.10	615,161.43	924,319.59	676,995.62	678,258.40	648,313.02	708,058
EXPENDITURES	522,576.56	546,640.04	591,571.08	666,578.29	710,948.30	899,049.55	837,651
TOTAL	(21,355.46)	68,521.39	332,748.51	10,417.33	(32,689.90)	(250,736.53)	(129,593)

*accrual-based

The AAPA's 2019 income derives from four main sources: membership dues (\$180,954), annual meeting registration (\$294,381), royalties (\$141,856), and external grants (\$70,627). Other income includes auction proceeds, donations and advertising revenue. Royalties from our journal, the AJPA, while fluctuating over the past five years, remain a substantial source of revenue.

ROYALTIES	2015	2016	2017	2018	2019
	139,195	137,648	135,577	139,514	141,856

Major expenses include fees associated with coordinating and running the annual meeting (\$345,100), fees paid to Wiley-Blackwell for the publication of the AJPA (\$144,485), and fees for membership, meeting, and accounting services provided by Burk and Associates and Gelman, Rosenberg and Freeman (\$144,285). Accountant services include our annual review and tax filing (available to any member by written request to the Treasurer) and book-keeping. Other expenses include bank and credit card fees, Executive Committee expenses (including support, travel, and supplies), and legal fees. In calendar year 2018, the AAPA spent \$65,221 on external grant programming and dispersed \$68,576 to members and participants for travel assistance to our annual meeting, research stipends, and student/recognition awards.

At the close of 12/31/19, the AAPA showed a net loss of \$129,593. Much of this was offset by our infusion of \$102,000 from our investment portfolio, leaving an over expenditure of \$27,593. Starting in 2019, the AAPA has been allocating 3.5% of our 5-year investment accounts average to programming. (Our annual investment gains over the last 5 years averaged over 9.5%). Our annual meeting expenses continue to exceed income. Although Cleveland was a less expensive venue than Austin, we had fewer registrants and we lost an average of approximately \$30/person. Although our registration income increased compared to previous years, our expenses remain high. Last year, we employed initiatives to sustain the opportunities we offer our members, including increased meeting registration fees and the use of investment income to support our programs. As can be seen, the increased meeting revenues did help to offset our losses and the use of investment income has been critically important. In 2019, the membership voted to increase membership dues for regular members. This increase will be realized in the 2020 fiscal year; preliminary estimates indicate that our increased income from membership will come close to compensating for over expenditures such as the one experienced in 2019. Therefore, the AAPA is successfully working toward fiscal equilibrium.

	Atlanta 2016	New Orleans 2017	Austin 2018	Cleveland 2019
Income	\$ 228,240.00	\$ 259,693.00	\$ 264,880.00	\$ 294,381.00
Expenses	\$ 272,900.00	\$ 315,808.00	\$ 405,225.00	\$ 345,100.00
TOTAL	\$ (44,660.00)	\$ (56,210.00)	\$ (140,345.00)	\$ (50,719.00)
Attendance	\$ 1,750.00	\$ 2,112.00	\$ 1,936.00	\$ 1,791.00
Average Cost/Person	\$ 156.00	\$ 150.00	\$ 209.00	\$ 193.00
Average Revenue/Person	\$ 130.00	\$ 123.00	\$ 136.00	\$ 164.00

Despite over expenditures, at the close of 2019 the AAPA was a financially healthy and vital association. Our membership numbers remain strong as do our meeting registrations. The AAPA's long term investments, managed by Merrill Lynch have fared very well over the last five years, with an average of 9.58% annual growth. In 2019, our portfolio saw 13.9% gains: the beginning net portfolio value at year-end 2018 was 3,291,000 rising to 3,666,584 on 12/31/19. Investment funds are allocated between equities (in 2019 comprising about 77% of our assets) and fixed income (comprising 22% of our assets) and 1% cash. As always, the AAPA works with our financial consultants to evaluate the allocation of funds to insure that the proportion of funds in equity, fixed income accounts and cash reflect the needs and goals of the AAPA. Clearly, 2020 will be a difficult year financially for the AAPA. As we better understand the extent of our 2020 losses, this will be communicated in a timely way to the executive committee.

I wish to thank the current and outgoing members of the Executive Committee of the AAPA and the accounting staff of BAI whose assistance and support throughout this year has been invaluable.