This report from the Treasurer represents a preliminary account and assessment of the AABA finances between January 1st and December 31st, 2021. This report is preliminary because the accounting books for the 2021 fiscal year do not officially close until August 2022. By this point, however, most income and expenses for 2021 have been recorded.

At the close of 2021, the AABA showed a net operating cash gain of $50,188.55, primarily achieved because we did not incur the usual expenses of an in-person annual meeting. The AABA’s total cash-on-hand for operational purposes was $550,734.65 at the end of 2021; this amount includes our bank balances plus a 3.5% infusion from our investment income.

<table>
<thead>
<tr>
<th>Table 1: Operating Gains/Losses over 5 years</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020†</th>
<th>2021*</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td>$678,258.40</td>
<td>$648,313.02</td>
<td>$708,058</td>
<td>$419,810</td>
<td>$340,154</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td>$710,948.30</td>
<td>$899,049.55</td>
<td>$837,651</td>
<td>$401,412</td>
<td>$289,965.85</td>
</tr>
<tr>
<td>TOTAL</td>
<td>($32,689.90)</td>
<td>($250,736.53)</td>
<td>($129,593)</td>
<td>$18,398</td>
<td>$50,188.15</td>
</tr>
</tbody>
</table>

† Annual Meetings cancelled due to COVID-19 pandemic.
* Annual Meetings held virtually due to ongoing COVID-19 pandemic.

Income

The AABA’s 2021 income derived from several sources, primarily membership dues ($129,315), annual meeting registrations ($141,764), and donations ($6,075). Our 2021 income also included the annual sponsorship grant from Wiley for $55,000 (plus $8,000 paid from our 2020 contract). After 2019 and coinciding with the COVID-19 pandemic, membership numbers have decreased precipitously (see the Membership Chair’s Report). The resulting financial blow to our operating costs has been somewhat mitigated by the fact that since 2020, dues for regular members are now charged at a ~30% higher rate (from $134 to $175 annually), and that annual meeting expenses were significantly lower than usual given its virtual-only format.

Expenditures

Major 2021 expenses included fees related to the Annual Meeting (e.g., Pathable and Code of Conduct platforms, invited speaker/consultant) and fees for membership, meeting, and accounting services provided by Burk & Associates and Gelman, Rosenberg, & Freeman ($145,099.46). Accountant services include our annual review and tax filing (available to any member by written request to the Treasurer), and bookkeeping. Other expenses ($25,275.14) include credit card fees, Executive Committee expenses

1 Since 2017, AABA finances have been tracked using an accrual accounting system. Unlike a cash-based system, income and expenditures are recorded when incurred, meaning that transactions are recorded when they are made, regardless of when they are paid. For example, income generated in the Fall of 2020 for 2021 membership would not be considered 2020 income; the recording of this income is deferred until 2021.
2 Starting in 2020, the AABA began transferring 3.5% of its investment income into its operating account on an annual basis.
3 The regular membership voted to increase regular membership dues by 30% at the 2019 Business Meeting; this went into effect in 2020.
(including VP support, travel, and supplies), and legal fees to Allison, Slutsky & Kennedy. In calendar year 2021, the AABA also dispersed $46,078 in research awards, including Cobb Professional Development Awards, to support early career member research, and Student Presentation awards, to support student member research.

**INVESTMENTS**

The AABA’s long-term investments, managed by Merrill Lynch, fared well in 2021. In 2021, our portfolio saw 14% gains: the net portfolio value at year-end 2020 was $4,189,379, rising to $4,776,795 by 12/31/2021. Investment funds are allocated between equities (in 2021 about 84% of our assets), fixed income (comprising 12% of our assets), and 4% cash. As always, the AABA works with our financial consultants to evaluate the allocation of funds to ensure that the proportion of funds in equity, fixed income accounts, and cash reflect the needs and goals of the AABA.

The AABA now transfers 3.5% of its net investment portfolio (5-year average) to our operating accounts on an annual basis. With this annual infusion into our operating budget, the AABA supports awards, grants, and programming during the annual meetings. In 2021 the amount transferred was $122,000.

**SUMMARY**

We will need to remain watchful of our annual finances given that every year since 2019 has brought new challenges with respect to COVID-19 and the annual meetings. At this point, however, the AABA remains a financially healthy association, and we expect to continue developing new initiatives and offering valuable programming for our members.

**ACKNOWLEDGEMENTS**

The learning curve for this position has been steep, but I am starting to see over the hump due to the generous help of Rachel Caspari (former Treasurer), Anne Grauer (Past President and former Treasurer), Laurie Mullins (Burk & Associates), and Rob Clayton (Clayton & Associates). Thank you all for your high-level support in getting me adjusted to this new role as AABA Treasurer.