



# Audit and Finance Committee Report

May 2024

## Committee Members

Mike Retallick, Iowa State University  
Tracy Rutherford, Virginia Tech  
Mike Spiess, California State University, Chico

## Review Period

The committee reviewed the prior fiscal year. This year covered from 7/1/2022 to 6/30/2023.

## Review Process

The review process is guided by the Financial Policies and Procedures Manual adopted by the Board on 7/25/2023.

The following documents were gathered and reviewed:

- Accountant's (Oles) annual report
- IRS 990 tax return
- The Statement of Position (QuickBooks)
- Treasurer's Reports (as captured in meeting minutes)
- The Statement of Activity (QuickBooks)
- Detailed transactions (QuickBooks)
- Wild Apricot transactions (conference registration and membership system)
- Bank statements (PNC bank)
- Regional Accounting Reports

The accountant's report, the 990 tax return, and QuickBooks reports were compared for agreement. QuickBooks reports were matched to bank statements. Wild Apricot income report was compared to QuickBooks accounting. Regional accounting was reviewed. Detailed transactions were reviewed for correct postings and appropriateness.

## Findings/Recommendations

This was the second year the Committee completed a thorough review and the first with a full 12 month fiscal year. Upon review the Committee found that reports balanced, and transactions were reasonable. No unusual activity was found. AAAE bookkeeping is accurate and appropriate for a non-profit corporation. AAAE is in compliance with the reporting requirements of a 501(c)(3) corporation to the federal government and the state of Ohio.

## **Financial Position**

During the fiscal year AAAE improved their cash position by \$1991 despite a decrease in regional balances of \$1,783. AAAE has no liabilities.

## **Cash Reserves**

AAAE has adopted a policy to maintain \$90,000 in reserves to cover unforeseen expenses and that regions maintain \$5000 in reserve to cover unforeseen expenses.

AAAE has substantial cash reserves. At the end of the 22-23 fiscal year AAAE had a cash reserve of \$151,353. The committee would recommend spending some of this reserve on programs for members.

Regions have a total balance of \$29,875 which is higher than the recommended \$15,000 (\$5,000/region). North Central and Southern balances exceed the \$5,000 while Western did not. Western Region is currently working on increasing their balance and has made progress after their fall 2023 regional meeting.

## **Actual/Budget**

AAAE has two main sources of revenue: memberships and the national conference. Over 50% of expenses are direct costs of the national conference and the remaining are administrative and membership services. Overall, the net revenue exceeded the budget by \$8,913. However, this is explained by an unexpected tax refund of \$9,332. Notable variations in actual to budget we seen in conference expenses (over), credit card processing fees (over), Professional Fees (under), and conference registration income (over). However, the overall budget was very close to actual net revenue.

## **Budget 24-25**

In addition to reviewing the prior fiscal year, the committee also consulted on the budget for fiscal year 24-25. The budget was found to be appropriate based on past and projected income and expenses.

Respectfully submitted,



Michael Spiess, chair