

National Meeting of the  
American Association for Agricultural Education  
May 17-19, 2006

**Treasurer's Report**  
Tim H. Murphy, Treasurer

In this, my 7<sup>th</sup> and penultimate year as Treasurer, I am pleased to report that the financial state of our organization is strong. We continue to formalize our business practices in compliance with standard accounting practices and applicable law. In 2004, the AAAE was organized a not-for-profit corporation in the State of Texas. In the spring of 2005, that corporation was approved by the IRS as a tax exempt, charitable, organization under section 501 C (3) of the IRS Code.

In the planning of this 2006 National Conference, tax-deductible donations were solicited using this new tax status. As of the date of this report, receipts have been provided for \$3,250 in contributions. Additional contributions are expected. Plans to solicit corporate sponsorships for future events are underway. Charitable donations could substantially affect the financial future of the organization.

The fiscal year for the AAAE follows an August 1 - July 31 cycle. Our CPA, Cheryl Janner, filed the IRS Form 990 for 2005. These documents will be posted on the AAAE website to meet the public reporting requirements under the Federal tax code.

Financially the organization remains strong; however there are some trends that should be watched carefully.

The Journal of Agricultural Education remains a large portion of the budget. In 2005-06 the expense of the JAE exceeded the amount collected through Library Subscriptions by some \$7,050 or approximately \$35 per dues-paying member. The JAE ranks in the top 10% in terms of the cost to libraries, and increasing the cost may further erode subscriptions.

This Conference remains our largest budget item and our greatest financial risk. Some 50% of annual income and expense are attributed to the Conference with expenses now exceeding \$40,000. Conference planning is complex business. A single large error in conference planning could bankrupt the organization. We should consider alternatives including hiring a conference planner, creating a standing conference planning committee, or establishing an Executive Director position.

The Regional Conference Chairs are increasingly encountering the growing "legal formality" of conference finances. There are sound arguments for financing the Regional Conferences through AAAE accounts. Should that occur, our Total Receipts may surpass the \$100,000 mark subjecting the organization to additional accounting and reporting requirements.

The anticipated expenses in the 2007-07 proposed budget will exceed expected income by nearly \$9,000, or approximately 12% of the budget. This is actually a lower percentage than in previous years' budgets. Sill, we should attempt to increase the accuracy of our budgeting.