

Dear AACRAO Community,

I am pleased to report that Fiscal Year 2022 (FY 2022), running from October 1, 2021, to September 30, 2022, was a successful year for AACRAO. After a two-year hiatus, AACRAO resumed its in-person Annual Meeting (which included a virtual option) in Portland, Oregon, in April 2022. Due to sound financial planning, AACRAO was able to take advantage of market conditions and refinance the original bond on its D.C. Headquarters; this, along with an in-person Annual Meeting, resulted in a positive gain before investments of just under \$400k.

As we prepare for the [108th AACRAO Annual Meeting](#) in Aurora, Colorado, I am writing in my capacity as the Vice President for Finance to notify you of the proposed budget for the 2023-2024 Fiscal Year (FY 2024). This Fiscal Year will run from October 1, 2023, through September 30, 2024.

The Board of Directors approved the proposed budget on January 21, 2023. Voting members attending the 108th Annual Meeting (in-person or virtually) will vote on whether to approve the budget at the Business Meeting on Tuesday, March 28, 2023, at 10:45 AM MDT.

Fiscal Year 2022 Financial Performance

On January 20, 2023, the Board of Directors reviewed the unmodified (clean) opinion on our financial statements from our independent auditor (CPA firm) CohnReznick, for Fiscal Year 2022. Please view the [2022 AACRAO Audited Financial Statements](#) to read the independent auditor's report.

The following is a summary of AACRAO's audited financial statements for the twelve months ending September 30, 2022 (FY 2022), compared to the previous Fiscal Year (FY 2021):

| Statement of Financial Position | FY 2022 | FY 2021 |
|---------------------------------|--------------|--------------|
| Assets | \$21,760,664 | \$23,394,458 |
| Liabilities | \$8,746,104 | \$9,016,712 |
| Net Assets | \$13,014,560 | \$14,377,746 |

Total assets as of September 30, 2022, of \$21.8M were down by about \$1.6M compared to September 30, 2021. The primary driver of the decrease was related to investments and changes in market conditions beyond AACRAO's control. Total liabilities slightly decreased mainly due to the reduction in AACRAO's long-term debt (related to the D.C. property).

| Statement of Activities | FY 2022 | FY 2021 |
|------------------------------------|---------------|-------------|
| Revenue | \$10,279,464 | \$9,687,429 |
| Expenses | \$9,881,864 | \$7,685,541 |
| Net from Operations | \$397,600 | \$2,001,888 |
| Non-operating income (loss) | (\$1,760,786) | \$1,864,486 |
| Change in Net Assets | (\$1,363,186) | \$3,866,374 |

Operating revenue during the Fiscal Year ending September 30, 2022 (FY 2022) amounted to \$10.3M, which was higher by \$592K compared to the previous Fiscal Year (FY 2021). AACRAO had a net operating income of \$398K during Fiscal Year ending September 30, 2022; however, the net investment loss of \$1.8M offset this, resulting in a net assets decrease of \$1.4M.

Operating expenses during the fiscal year ending September 30, 2022 (FY 2022) of \$9.9M was higher than the previous fiscal year by \$2.2M, mainly due to the increase in the cost of meetings, meals and entertainment, lodging, and consulting/outside services by \$684K, \$250K, \$206K, and \$452K, respectively.

Proposed Fiscal Year 2024 Budget

The following is a summary comparison of budgeted and actual FY 2022 revenues and expenses, the already approved budget for the current year (FY 2023), and the proposed FY 2024 budget. You can find detailed information on the FY 2024 Proposed Budget in the Master Budget at the end of this document.

| | FY 2022 Budget | FY 2022 Actual | FY 2023 Budget | FY 2024 Proposed |
|-------------------|----------------|----------------|----------------|------------------|
| Revenue | \$10,517,781 | \$10,279,464 | \$11,111,302 | \$12,241,622 |
| Expenses | \$10,282,350 | \$9,881,864 | \$10,893,735 | \$12,234,135 |
| Net Income | \$235,431 | \$397,600 | \$217,566 | \$7,487 |

Proposed Fiscal Year 2024 Dues Increase

This year, the Finance, Investments, and Audit Committee of the Board of Directors continued their evaluation of current dues concerning the overall cost of providing membership services. Dues will increase by \$18 from \$284 to \$302 based on the December 31, 2022, +6.5% CPI-U to stay in line with price increases in the economy. A statement of the value of AACRAO membership and a [full outline of member benefits](#) is on the AACRAO website.

The past year has been a very encouraging time for AACRAO. We have made significant progress in identifying ways to enhance the membership experience and exploring opportunities for more professionals from our member institutions to join AACRAO. Since we met in Portland, AACRAO has taken meaningful steps toward improving efficiency in its internal operations. With the work of [Executive Director Melanie Gottlieb](#) and her team, AACRAO remains a highly engaged and respected voice in the global higher education community. AACRAO has an ambitious agenda for the year ahead and a compelling strategic plan to put us in the best possible position for the remainder of the decade and beyond.

I hope to see many of you in person at the 108th Annual Meeting in Aurora, Colorado. Whether you can join us in person or virtually, I hope you will plan to be in attendance at the Business Meeting, where the membership will vote to approve the proposed budget. If you have any questions about the budget or finances, please find me at the AACRAO booth in the Exhibit Hall during the 108th Annual Meeting or contact me at akaufman@berklee.edu.

I look forward to seeing you in person or virtually.

Sincerely,



Ari Kaufman

Vice President for Finance

American Association of Collegiate Registrars and Admissions Officers

AACRAO
FY 2024 Budget Worksheet
MASTER BUDGET

| | 100 Administration & Operations | 200 Memberships | 300 Strategy & Planning | 400 Business Development | 500 Research and Policy | 600 Education and Member Development | TOTAL AACRAO FY24 BUDGET |
|---|---------------------------------|---------------------|-------------------------|--------------------------|-------------------------|--------------------------------------|--------------------------|
| Revenue | | | | | | | |
| Advertising | - | 250,000 | - | 7,500 | - | - | 257,500 |
| Contributions | - | - | - | 1,275,000 | - | - | 1,275,000 |
| Corporate/associate dues | 110,000 | - | - | - | - | - | 110,000 |
| Exhibit fees | - | - | - | - | - | 776,311 | 776,311 |
| Grant/contract income | - | - | - | - | - | - | - |
| Interest income | - | - | - | - | - | - | - |
| Member dues | 3,097,944 | - | - | - | - | - | 3,097,944 |
| Other income | - | - | - | - | - | - | - |
| Publication sales | - | - | - | - | 553,300 | 184,504 | 737,804 |
| Registrations | - | - | - | - | - | 2,209,063 | 2,209,063 |
| Service fees | - | - | - | 1,750,000 | 710,000 | 85,000 | 2,545,000 |
| Sponsorship revenue | 8,000 | - | 10,000 | 1,215,000 | 30,000 | 35,000 | 1,298,000 |
| Investment Income | - | - | - | - | - | - | - |
| Investment Fees | (65,000) | - | - | - | - | - | (65,000) |
| Total Revenue | \$ 3,150,944 | \$ 250,000 | \$ 10,000 | \$ 4,247,500 | \$ 1,293,300 | \$ 3,289,878 | \$ 12,241,622 |
| Personnel Costs | | | | | | | |
| Salaries and Wages | 1,084,959 | 311,992 | 301,443 | 901,963 | 814,431 | 882,766 | 4,297,554 |
| Fringe Benefits | 227,841 | 62,368 | 60,153 | 189,412 | 165,780 | 178,451 | 884,006 |
| Payroll Taxes | 62,351 | 22,927 | 23,060 | 51,180 | 60,616 | 65,296 | 285,429 |
| Total Personnel Costs | \$ 1,375,152 | \$ 397,287 | \$ 384,656 | \$ 1,142,554 | \$ 1,040,827 | \$ 1,126,513 | \$ 5,466,990 |
| Other expenses | | | | | | | |
| Advertising and promotion | 2,000 | 4,000 | 23,000 | 10,500 | 6,000 | 1,373 | 46,873 |
| Awards, scholarships and grants | - | 1,500 | - | - | 6,000 | - | 7,500 |
| Bank charges | 50,553 | 4,011 | 160 | 39,027 | 20,071 | 51,178 | 165,000 |
| Condo Fee | 78,000 | - | - | - | - | - | 78,000 |
| Consulting/outside services | 212,000 | 25,000 | 15,000 | 687,500 | 303,100 | 389,285 | 1,631,885 |
| Contingency expenses | 105,000 | - | - | - | 5,000 | - | 110,000 |
| General taxes | 15,000 | - | - | - | - | - | 15,000 |
| Insurance | 76,000 | - | - | - | - | - | 76,000 |
| Interest | 209,000 | - | - | - | - | - | 209,000 |
| Legal and accounting | 377,000 | - | - | - | 800 | - | 377,800 |
| Lodging | 121,100 | 4,100 | 13,000 | 141,500 | 48,050 | 120,190 | 447,940 |
| Marketing | - | 3,000 | 5,000 | 10,500 | - | 6,749 | 25,249 |
| Meals and entertainment | 109,300 | 4,240 | 2,000 | 72,500 | 21,500 | 77,924 | 287,464 |
| Meeting costs | 22,000 | 2,500 | - | 30,000 | 11,500 | 1,246,842 | 1,312,842 |
| Memberships and subscriptions | 530,000 | 9,000 | 62,000 | 6,500 | 72,100 | 43,160 | 722,760 |
| Other expenses | 43,100 | - | 1,500 | 2,500 | - | 36,568 | 83,668 |
| Postage and delivery | 600 | 5,100 | 250 | 5,000 | 550 | 29,128 | 40,628 |
| Printing, production and duplicating | 1,100 | 8,100 | 10,000 | 5,000 | 1,000 | 48,740 | 73,940 |
| Registration fees | 6,000 | - | 500 | 14,500 | 5,950 | 34,800 | 61,750 |
| Supplies, equipment and maintenance | 38,740 | 2,000 | 750 | 7,500 | 1,250 | 31,549 | 81,789 |
| Communications/internet | 10,050 | 6,450 | 6,750 | 1,250 | 12,000 | 15,000 | 51,500 |
| Temporary assistance | 4,000 | 500 | - | - | - | 11,591 | 16,091 |
| Training and development | 6,700 | 3,300 | 3,500 | 6,500 | 7,000 | 8,000 | 35,000 |
| Travel | 101,700 | 2,750 | 10,500 | 242,000 | 28,900 | 84,616 | 470,466 |
| Utilities / Maintenance | 29,000 | - | - | - | - | - | 29,000 |
| Property Taxes | 70,000 | - | - | - | - | - | 70,000 |
| Total Other Expenses | \$ 2,217,943 | \$ 85,551 | \$ 153,910 | \$ 1,282,276 | \$ 550,771 | \$ 2,236,693 | \$ 6,527,145 |
| Total Expenses | \$ 3,593,095 | \$ 482,838 | \$ 538,567 | \$ 2,424,831 | \$ 1,591,598 | \$ 3,363,206 | \$ 11,994,135 |
| Change in Net Assets before Depreciation | \$ (442,151) | \$ (232,838) | \$ (528,567) | \$ 1,822,669 | \$ (298,298) | \$ (73,329) | \$ 247,487 |
| Less: Depreciation | 240,000 | - | - | - | - | - | 240,000 |
| Change in Net Assets | \$ (682,151) | \$ (232,838) | \$ (528,567) | \$ 1,822,669 | \$ (298,298) | \$ (73,329) | \$ 7,487 |