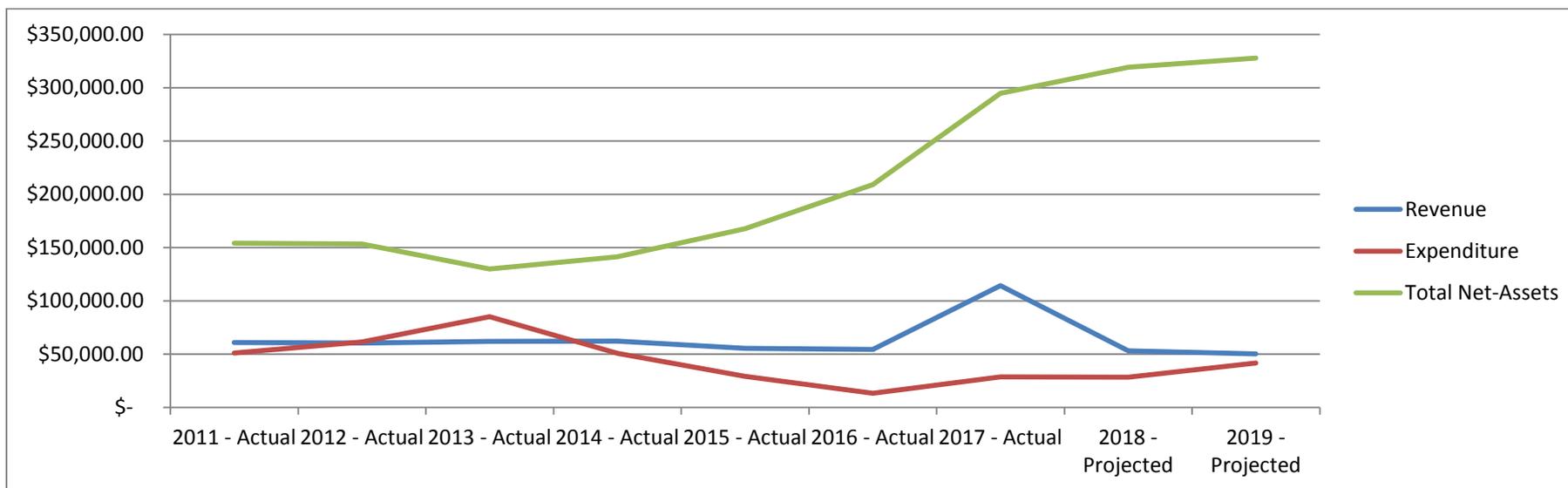
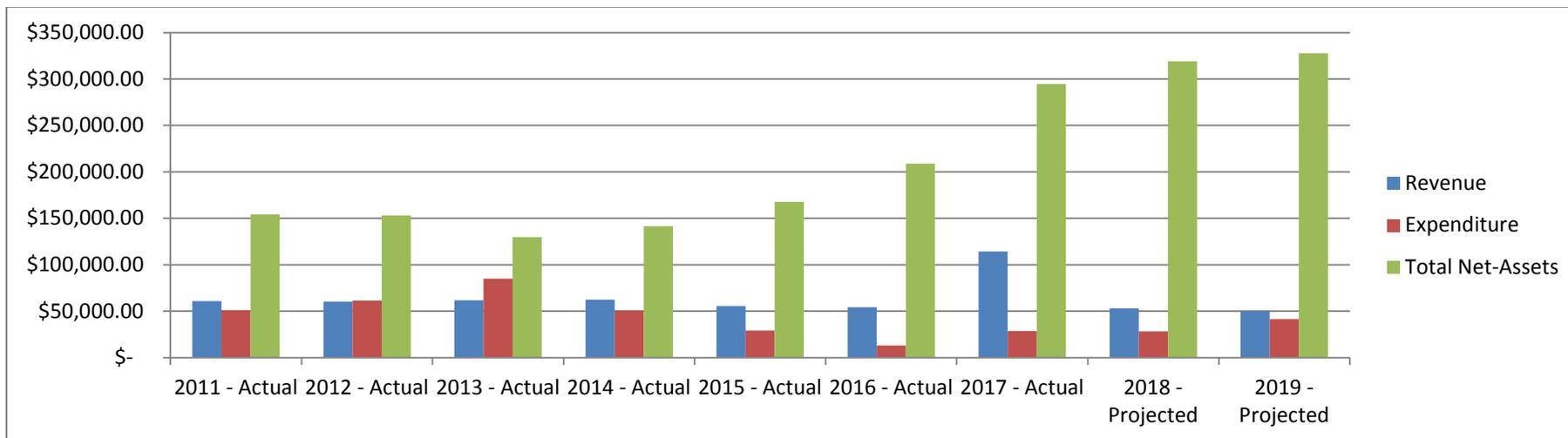


SMA Treasurer's Report

SMA Business Meeting – AAA San Jose – Friday, November 16, 2018

Budget Trends 2011-2019:



Revenue, Expenses, and Net Assets Since 2011:

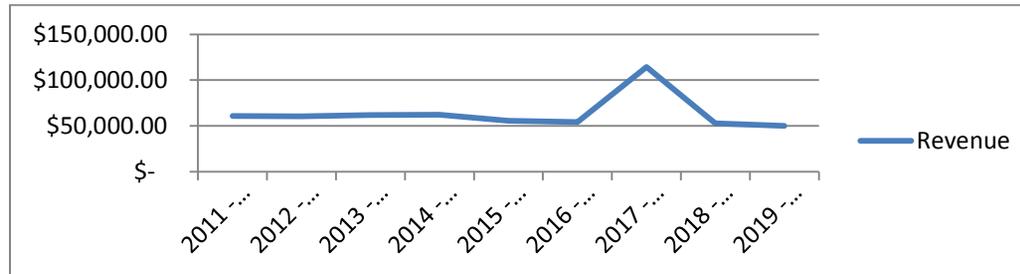
	2011 - Actual	2012 - Actual	2013 - Actual	2014 - Actual	2015 - Actual	2016 - Actual	2017 - Actual	2018 - Projected	2019 - Projected
Membership - Regular	\$38,231.47	\$35,449.55	\$34,321.05	\$36,037.12	\$37,806.09	\$37,051.03	\$36,660.75	35,972.00	\$36,040.00
Membership - Student	9,076.93	8,419.47	5,019.47	5,268.42	6,073.42	6,232.16	6,549.90	6,620.00	6,540.00
Membership - Retired	1,997.29	2,127.49	1,989.11	2,215.09	2,285.31	2,066.86	2,083.05	2,030.00	1,995.00
Membership - International	2,522.55	4,178.02	7,762.40	5,470.64	1,086.38	1,082.02	244.69	2,244.00	90.00
Membership - Sustaining	6,585.18	10,166.51	11,688.80	10,992.25	7,645.32	6,939.56	5,760.00	6,076.00	5,390.00
Membership - Joint	39.08	61.62	49.21	49.17	51.66	88.18	100.91	120.00	100.00
Subtotal Membership	58,452.50	60,402.66	60,830.04	60,032.69	54,948.18	53,459.81	51,399.30	53,062.00	\$50,155.00
Mailing List Rental	45.00	0.00	30.00	0.00	0.00	15.00	15.00	0.00	0.00
Registration Fees	0.00	0.00	0.00	1,800.00	0.00	0.00		0.00	0.00
Workshop Registration Fees	0.00	0.00	780.00	320.00	612.00	936.00	1,053.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	45,886.79	0.00	0.00
Intrafund Transfer/Release	0.00	0.00	0.00	0.00	0.00	0.00	16,031.67	0.00	0.00
Contributions - Curr Ops	0.00	0.00	250.00	80.47	0.00	0.00	0.00	0.00	0.00
Other Income	2,422.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	60,919.69	60,402.66	61,890.04	62,233.16	55,560.18	54,410.81	114,385.76	53,062.00	50,155.00
Salaries & Wages-AAA	0.00	0.00	0.00	40.00	0.00	0.00	0.00	0.00	0.00
Prof./Consult./Honoraria	4,800.00	5,000.00	9,500.00	8,095.68	6,882.80	10,219.28	8,219.76	5,100.00	5,100.00
Travel & Related Expenses	15,653.35	16,348.80	23,382.38	14,083.86	6,426.92	10,568.27	2,700.70	16,900.00	14,000.00
Awards & Honors	4,000.00	5,758.29	9,676.64	2,550.00	2,761.16	6,060.67	1,211.77	3,850.00	6,800.00
Section Web Sites	4,800.00	2,000.00	16,136.62	8,012.62	7,736.95	8,383.24	9,280.50	2,542.00	2,542.00
Postage	35.23	0.45	67.77	0.00	0.00	0.00	172.05	0.00	0.00
Telephone	0.00	146.52	0.00	0.00	21.24	139.00	0.00	0.00	0.00
Bank Fees	0.00	0.00	0.00	35.00	52.50	0.00	0.00	0.00	0.00
PhotoCopy/Duplication	47.99	0.00	168.50	0.00	24.64	0.00	0.00	0.00	0.00
Miscellaneous Expense	429.30	522.28	1,100.00	214.91	0.00	158.16	551.30	2,500.00	2,500.00
Meeting Food and Space	3,331.30	7,125.49	9,132.94	5,853.03	5,645.41	4,526.58	3,618.82	1,910.00	2,210.00
Meeting Equip. Rental	0.00	995.00	0.00	0.00	0.00	0.00	3,820.69	0.00	0.00
Printing	0.00	0.00	110.67	0.00	0.00	0.00	0.00	0.00	0.00
Development & Promotion	1,500.00	0.00	1,474.94	2,500.00	3,300.00	0.00	0.00	2,600.00	2,600.00
YTD Pubs (Rev) less Exp	16,369.91	23,446.35	14,426.00	9,418.06	(3,620.63)	(26,827.86)	(867.22)	-6,944.00	\$ 5,820.00
TOTAL EXPENDITURES	50,967.08	61,343.18	85,176.46	50,803.16	29,230.99	13,227.34	28,708.37	28,458.00	41,572.00
CHANGE IN NET ASSETS	\$9,952.61	(\$940.52)	(\$23,286.42)	\$11,430.00	\$26,329.19	\$41,183.47	85,677.39	\$24,604.00	\$8,583.00
Net Assets - End of Year	154,197.00	153,256.48	129,970.06	141,400.06	167,729.25	208,912.72	294,590.11	319,194.11	327,777.11

Commentary:

Please note that this report does not include references to the MAQ budget, which is part of the MAQ Editor's report, and that the 2011-2017 numbers are "actual" while the 2018-2019 numbers are "projected". As we budget our expenses conservatively, the "actual" expenditures are generally lower than "projected," explaining why some "projected" budget numbers in 2018-2019 are so high.

Our savings (the net assets) are currently significantly higher than the minimum AAA requirements for sections' savings (the savings should be at least double the amount of the annual expenditures). This is a positive development that will give the SMA the opportunity

and flexibility to do significant investments into existing or emerging priorities. However, the largest recent contributions to our savings were one-time and exceptional. In 2017, the SMA received \$45,886.79 as an advance payment from Wiley, the publisher of the AAA publication portfolio that also includes the MAQ, after the new publishing contract has been awarded to Wiley. Further, the SMA received a \$16,031.67 rebate from the AAA publishing fund, which the AAA created preparing for a possible transition from Wiley to a new publisher.



This one-time spike does not affect the overall financial health in the long-term and the SMA needs to continue to closely monitor its regular revenue streams and expenditures:

- Membership dues: They have been slightly declining due to a decreasing SMA membership, matching the decline in the overall AAA membership. For example, between June 2015 and June 2018, we had a drop of 4% in membership. In addition, the AAA is discussing changing the section dues' structure, which could significantly reduce this revenue stream.
- MAQ Royalties: Even though there has been an increase in the percentage of royalties received from the AAA publishing portfolio resulting in increased revenue, the royalties do not cover all MAQ expenses and the SMA is likely to continue subsidizing the MAQ.
- SMA members' initiatives: In 2017, three SMA members organized two workshops at the AAA meeting, resulting in revenue of \$1,053. In 2018, four SMA members organized three workshops held at this year's AAA meeting. The SMA also encouraged its membership to donate to the general fund as well as the Basker Prize Endowment. Unfortunately, donations were marginal. The SMA Board is grateful to those few who provided significant financial support.

The impact of changes in SMA membership numbers, MAQ royalty trends, and the currently discussed changes to the AAA section dues need to be discussed to better understand the Society's future financial health and plan accordingly.

It has to be noted that the SIG accounts are included in the SMA savings but the SMA cannot use the SIG accounts for paying its expenses. At the moment, all SIGs together have \$3,788 in their accounts as well as \$2,926 in their savings, totaling \$6,714.

The Eileen Basker Award Endowment is not included in the general SMA Net Assets. The endowment generates annually about \$700 through interests and currently stands at \$17,933. As this amount and the projected interest in the fourth quarter are not enough to cover the \$1,000 for the Basker Award, Virginia Dominguez generally kindly agrees to cover the shortfall. Our fundraising efforts in

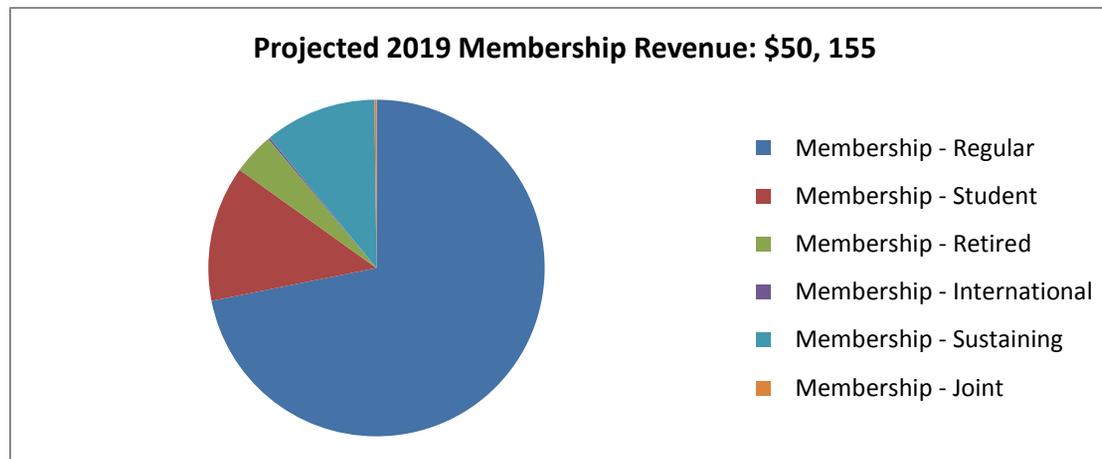
2017 and 2018, aiming at increasing the endowment to about \$25,000 in order to generate the needed \$1,000, were not successful; we didn't reach this target. Donations can be made through the SMA Homepage on the "Donate"-site.

As mentioned earlier, our revenue primarily comes from membership dues and MAQ royalties. The latter is part of the MAQ budget, used to pay for MAQ-related expenses, determining the SMA subsidy for the MAQ. This subsidy is the "Year to Date – Publication Revenue less Expenses" category in the SMA budget. This category is projected to be higher than in earlier years, based on the projected MAQ revenue of \$51,521. The MAQ routinely needs to be subsidized by section dues but the amount of the subsidy varies from year to year. We began a period where the costs of running MAQ's Academic Editorial Office are higher as universities are not anymore able to support the Editor by providing student assistants and other forms of assistance. Given the climate of decreasing institutional support for scholarly journals, future recruitments will likely face similar challenges.

The membership dues' revenue comes mainly from regular membership and student membership dues, Please note that the SMA Board decided not to increase the current membership dues, which are already high compared to other sections:

- Professional- \$68
- International rate- developed country- \$68
- International rate- developing country \$30
- Retired- \$35
- Joint - \$10
- Sustaining- \$98
- Student - \$20

The actual revenue through sustaining members is likely to be significantly lower than projected, unless more long-term SMA members become "sustaining members".

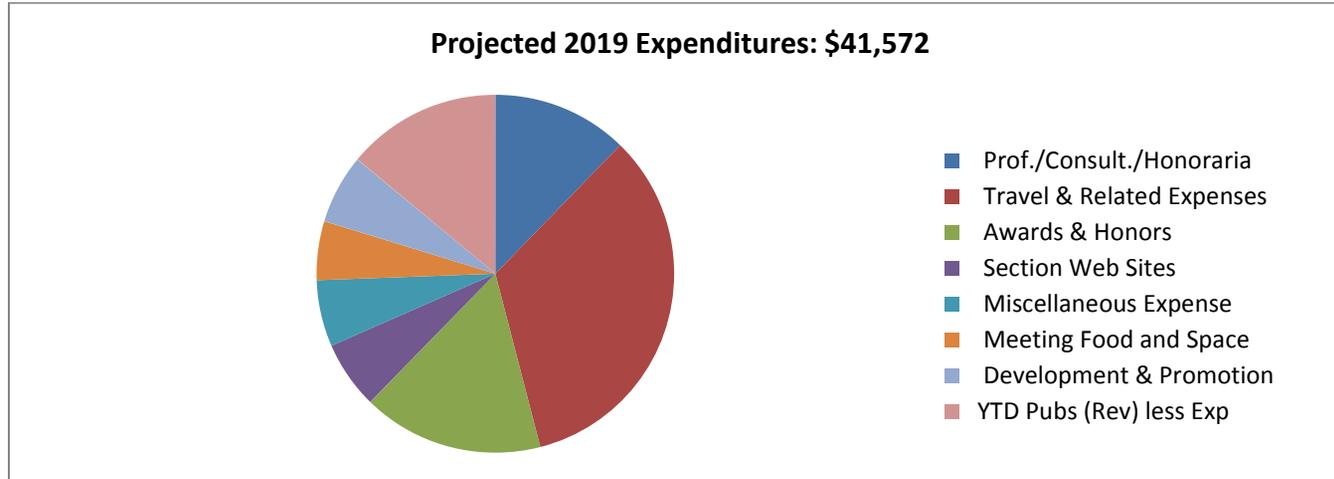


The expenses in some budget categories in 2018 and 2019 are projected to be significantly lower than during earlier years due to cutting expenditures described in the Treasurer's 2017 Report (retrievable from the SMA Homepage), such as the "Professional/Consulting/Honoraria" category that includes the stipends for the Digital Communication Manager and the AAA Meeting Support Assistant, the "Section Website" category that includes the stipend for the webmaster, and the "AAA Meeting Food and Space" category. The SMA Board is leading our cost-cutting attempts by example and significantly reduced the food expenses for its half-day meeting and has not hired an AAA Meeting Support Assistant.

The "Awards" category has increased since 2017, primarily through simplifying accounting by shifting awards from other categories to this category, such as the Student Conference Travel Awards, and creating new awards to support SMA members, such as the Contingent Faculty Conference Travel Awards and the Undergraduate Student Conference Travel Award. In addition to the SMA awards, the SIGs provide awards that were not included in this category but are part of the "Development and Promotion" category, which is the annual subsidy of \$200 for each SIG. For 2019, the SMA plans to provide funding for the Eileen Basker Memorial Prize, the Polgar MAQ Award, six AAA Student Conference Travel Awards, the Contingent Faculty Conference Travel Awards, the Rivers Undergraduate Award, the SMA Dissertation Award, and the New Millennium Book Award.

The "Supplemental Meeting Travel" category is like every year projected to be high but is generally significantly lower as Board members tend to use their institutions' travel support to attend the AAA meeting before requesting travel assistance from the SMA and tend to be economical with travel expenses covered by the SMA. Please note that the MAQ editor, editorial assistant, and the reviews editor receive a travel support subsidy through the MAQ budget.

The "Miscellaneous" category was increased to allow the SMA President and the SMA Board to address emerging needs. For example, to pay for items that have not been budgeted for, such as the live transcription during the SMA Business Meeting, the "support the SMA " stickers, etc. Ideally, this category is only used for one-time unplanned expenses. If an expense is likely to be necessary on a regular basis then it should be budgeted for.



Conclusions:

The SMA implemented in 2018 the drastic cuts in expenditure while also adding new expenditure to support its mission and members. Our financial situation is currently stable though precarious as membership numbers and dues may drop, MAQ royalty revenue may decline, and the AAA changes to its section dues structure may compromise our financial health.