AACP REPORTS

AACP Finance Committee Report

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AACP continues to maintain a healthy financial position with a strong balance sheet and growing revenues.

As of June 30, assets should total about $5.0M while net revenue from operations, before investment gains and loses, is projected to be $270,000, or about 3% of the expected revenues of $9.2M versus 6% last year.

Investments continue to perform well over the long-term returning 11% on a since inception basis but falling 7% over the past year, despite the portfolio being fully invested in stock funds.

The recently formed Investment Committee developed a new investment policy statement with help from AACP's money manager. The new policy reallocates investments from 100% equities to a balanced, targeted approach of 65% - 35% stocks to fixed income. The fund should deliver a more modest projected 8.3%, based on modeling the new allocations, with significantly less risk.

The proposed FY2009 budget forwarded to the Board shows growing non-dues revenues but a much tighter budget picture than in prior years because of expanding programs and needed infrastructure to support these programs. Net revenues are budgeted to be $125,000 on total revenue of $9.8M.

The revenue budget was built on continued growth in PharmCAS and meetings programs (including goals to expand both in the coming year) along with moderate projections for other income sources.

The expense budget reflects a full year of rent expense in the new headquarters building along with a fully staffed office, funds to expand publications, address recruitment/retention initiatives and expand communications activities, development dollars for the President's global initiatives, and investment in key technology projects- PEAS, web site and a new database.

FY2009 is getting off to a great start with registration to the Annual Meeting at record levels. Nevertheless, the Committee is mindful that the coming year will be more challenging in a deteriorating economy and may eventually impact AACP's budget if economic factors at the school or student levels change dramatically.