FROM THE TREASURER
LOOKING BACK AND MOVING FORWARD

Each year, the AALL Executive Board sets aside time to assess the financial health of the Association. The process includes preparing year-end financial statements and an examination and audit of these statements by a certified public accountant. Here are the highlights from the annual report.

In March 2019, the AALL Finance and Budget Committee met in Chicago to review the Association’s financial statements, listen and respond to presentations by representatives from our audit firm and investment advisors, consider funding requests, begin the budgeting process for 2019-20, and review the proposed budget guidelines for 2019-20.

Members of the committee were pleased to hear the conclusions of Legacy Professionals LLP, an independent audit firm. In the firm’s report, dated February 18, 2019, it rendered an unmodified opinion that the Association’s financial statements “present fairly, in all material respects, the financial position of the American Association of Law Libraries as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.” The audit also noted that “the disclosures in the financial statements are neutral, consistent, and clear.”

During a closed session, committee members had the opportunity to ask questions about the statements, methods, records, and procedures utilized by the financial staff. The auditor confirmed that AALL staff was well prepared and that AALL’s
financial documents are correctly maintained. The audit reflects well on the Association. To request a copy of the complete report, please contact AALL Executive Director, Vani Ungapen.

**Association Assets**
A representative from Chevy Chase Trust met with committee members in March to review and discuss our Association’s investment portfolio. The portfolio, which represents the greatest percentage of our Association’s assets, is comprised of three invested funds: the Permanent Investment Fund (PIF), the Restricted Endowment Fund (REF), and the Current Reserve Fund (CRF).

Figure 1 illustrates the importance of these investments to the Association’s long-term financial security. Each year, one of the goals of this meeting is to ensure continued compliance with the Association’s investment policy objectives. See AALL’s Permanent Investment Fund Policy at bit.ly/AALL-PIF.

Moderate investment objectives drive our Association’s investment strategy. We “seek to balance the possibility of increased gains with a desire to avoid substantial risk to principal.” Our investment advisor informed us that Chevy Chase Trust followed a similar asset allocation the prior year. While our economy grew last year, the developed economies outside of the United States were doing even better. Chevy Chase began investing more outside of the U.S., while still focusing on robotics, artificial intelligence, and other technology equities. As of September 30, 2018, $494,997 of our investment income was realized, an increase over the $482,745 realized in 2017.

The largest fund within our investment portfolio is the PIF; it is invested in a variety of managed equities and fixed income instruments, such as corporate bonds, securities, REITs, and municipal funds. Contributions to a variety of endowed funds form the basis of the REF. These funds include the Scholarship Fund; the AALL and Thomson Reuters George A. Strait Minority Scholarship & Fellowship Endowment; the LexisNexis/John R. Johnson Memorial Scholarship Endowment; and the Foreign, Comparative, and International Law Special Interest Section Schaffer Grant for Foreign Law Librarians. Like the PIF, this fund is also invested in a variety of fixed-income instruments and equities. The CRF fund serves as a short-term reserve for investing cash.
NEWS & NOTES

available from operations—essentially the Association’s short-term savings account. See figure 2.

Association Revenues
AALL saw total revenue of $4,241,661 in 2018, which was a 1 percent increase over the $4,189,179 in 2017. There are three major sources of revenue for our Association, which fund Association programs and activities: membership dues, AALL Annual Meeting registrations and fees, and revenue from the Index to Foreign Legal Periodicals (IFLP). In reviewing how each of these revenue streams performed in the 2018 fiscal year, we found that membership dues of $926,267 was up from the $921,984 collected in the 2017 fiscal year. Membership dues constituted 25.5 percent of the Association’s overall revenue. Revenue from the AALL Annual Meeting increased by 11 percent from the prior year. Income from IFLP was slightly down by $28,368 over 2017. See figure 3.

Overall, AALL’s net assets showed an increase of approximately 3 percent over the prior fiscal year for a total of $6,090,624.

Association Revenues vs. Expenses
The Association’s General Fund—essentially, the Association’s “checking account”—covers daily operational expenses, including salaries and benefits; rent; marketing; expenses related to committee administration; scholarships and grants; professional development; and all Association publications. The staff continues to work with the Board to reduce overall expenses, while investigating income generating opportunities. Some cost savings were realized with the 2018 AALL Annual Meeting, and the fiscal year ended with an overall revenue increase for the Association.

Looking Ahead
The AALL Executive Board continuously evaluates how specific Association activities and related costs advance the profession of law librarianship and support the professional growth and development of our members. The Finance and Budget Committee works with staff to ensure the Association budget is not only aligned with the strategic goals of knowledge, community, and leadership, but that it is also consistent with AALL financial policies. The Executive Board has to determine whether activities are still relevant and provide meaningful benefits to members, while also investigating new activities that may be better positioned to move the Association forward and provide enhanced value to members and stakeholders. During the 2018-19 year, the Association published the State of the Profession 2019 report, saw a continued increase in nonmember subscriptions to KnowItAALL, introduced our first Innovation Bootcamp, offered a sold-out, biannual Management Institute, and presented several revenue-generating Vendor Showcase webinars.

If any member has questions or comments about the Association’s financial performance or policies, please don’t hesitate to contact me or Vani Ungapen.

Jean L. Willis
Assistant Director for Support Services
Sacramento County Public Law Library
jwillis@saclaw.org

2019 CALENDAR

MAY

06 AALL Annual Meeting
Innovation Tournament submissions due

16 AALL/LexisNexis Call for Papers Award submissions due (student division)

17 AALL Annual Meeting early-bird registration deadline
AALL Executive Leadership Institute early-bird registration deadline

29 Law Librarians of Puget Sound Annual Meeting

JUNE

01 2019-2020 AALL membership year begins

06 Law Library Association of Greater New York Annual Meeting

14 AALL Annual Meeting preconference registration deadline for: workshops, library tours, and ticketed SIS events
AALL Executive Leadership Institute registration deadline

JULY

11 AALL Executive Board Summer Meeting

12 AALL Day on the Hill:
Advocacy Training & Lobby Day,
Washington, DC

13-16 112th AALL Annual Meeting & Conference, Washington, DC

QUICK LINKS

AALL ANNUAL MEETING
bit.ly/AALL2019

AALL EXECUTIVE LEADERSHIP INSTITUTE
bit.ly/AALLelinstitute

AALL/LEXISNEXIS CALL FOR PAPERS
bit.ly/AALL-callforpapers

AALL SCHOLARSHIPS
bit.ly/AALL-scholarships