

AACP REPORTS

AACP Finance Committee Report

AACP's Treasurer Keith Herist along with COO Daniel Cassidy presented the Finance Committee report containing the 2012 Budget to the AACP Board. The agenda included a review of financial trends, major operating and financial assumptions, emerging opportunities and capital investments.

The Board adopted the 2012 Budget summarized below and accepted the preliminary budget projection for 2013.

2012 BUDGET SUMMARY

For 2012, revenue is budgeted to be \$12,099,000 and expenses \$12,063,000 resulting in net revenue of \$36,000 or .6% of total revenue. For the comparative results and projections, see Table 1.

Major Budget Assumptions

Revenue:

1. An institutional dues increase of \$3,000 per school plus one new school
2. PCAS revenues consistent with the prior year; PCAT testing fees up significantly
3. Conservative estimates for meeting registrations; continued softening of sponsorships
4. TEVA grant monies moved into 2012 from 2011 (\$100,000)
5. NPF Research Awards entirely self-funded (2nd year in a row)

For sources of revenue, see Figure 1.

Expense:

1. Member needs assessment (\$50,000) – NEW
2. Congressional Fellow support of CMS Innovations Center (\$25,000) - NEW
3. Operating under new PharmCAS management agreement with Liaison
4. Employee-benefit premiums at or below prior year levels
5. Staff positions – Membership Manager plus two administrative positions (\$120,000 prorated)

For summary of expenses, see Figure 2.

Emerging Opportunities (see attached “Emerging Opportunities Analysis and Recommendations”)

1. Academic Research Fellows Program (\$0 operating expense in 2012; potentially \$100,000 in first program year)

2. Milestone Exams (\$20,000 budgeted in 2012 for assessing the market; revenue model in future years contingent on business plan)
3. Standardized APPE Evaluation (e.g. Clinic-Eval) (\$0 operating expense in 2012; potentially \$225,000 in first program year and revenue model contingent on business plan)
4. Program, Curriculum, and Assessment Consulting Service (\$5,000 for feasibility evaluation in 2012; potentially \$25,000 in first program year)

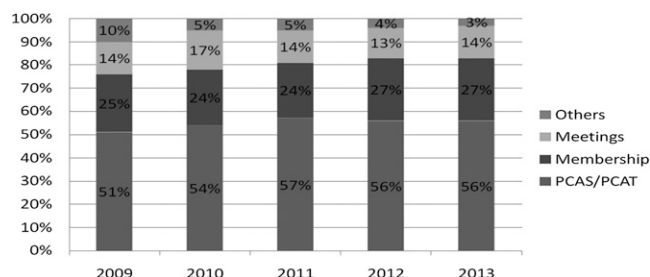


Figure 1. Sources of revenue.

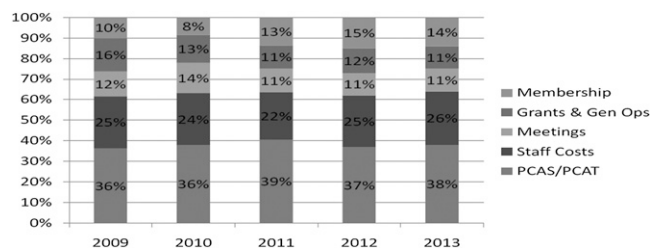


Figure 2. Summary of expenses.

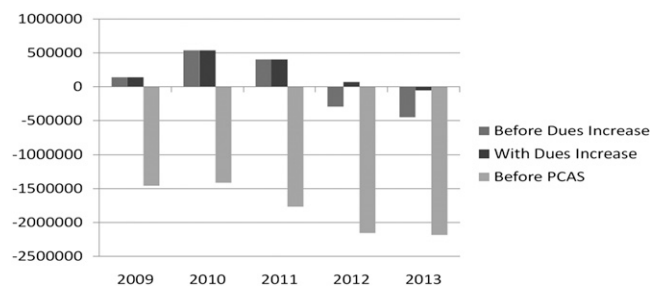


Figure 3. Comparing net revenue from operations.

Table 1. Budget Summary^a

	Actual FY 2009	Actual FY 2010	Forecast FY 2011	Estimate FY 2012	Estimate FY 2013
Revenue	10,241	11,166	11,642	12,099	12,115
Expenses	10,103	10,627	11,238	12,063	12,165
Net from operations	138	539	404	36	(50)

^a \$ in 000's to indicate the figures are in millions.

Table 2. 2012 Capital Budget

Item Description	Amount	Notes
Computer and hardware equipment upgrades	60,000	Software and hardware additions
Leasehold improvements	5,000	Preliminary office space re-design
Leasehold improvements	TBD	Architect and construction build-out

- 5. Academic Practice Partnership Initiative – II (Experiential Education quality and capacity)*
- 6. Teams Leadership Development (Deans & Department Chairs)*

- 5. Sub-tenant lease is terminated early in anticipation of starting construction on new office space re-design

Expense:

- 1. No new staff positions budgeted at this time and employee benefit premiums increase 10%
- 2. No congressional fellow; will have a Scholar in Residence
- 3. Higher annual meeting costs
- 4. PharmCAS expenses increase due to higher WebAdMIT and background check fees
- 5. No expenses budgeted for new emerging opportunities at this time.

2013 Major Budget Assumptions:

Revenue:

- 1. Three new schools
- 2. PCAS revenues consistent with the prior year; PCAT testing fees level
- 3. Meeting registrations moderately higher due to 2011 results and Orlando site
- 4. TEVA grant renews for another year

The 2012 capital budget is shown in Table 2.

*APPI-II and Dean-Department Chair Development have already received attention leaving the other four needing specific planning and implementation attention.