



# WHERE WE STAND

## Strong AIA 2001 Financial Results

To AIA members,

2001 marked the second consecutive year of balanced budgets and surpluses for the AIA. These outcomes result from our commitment to conservative planning and prudent management. We have also virtually completed the dissolution of AEC (a for-profit corporation in which the AIA held an interest), and are steadfast in our resolve to continue providing strong management support. Here are some details.

### 2001 income and asset targets exceeded

Both net income and total net assets for 2001 exceeded our plan and an audited statement will be provided to the membership at the AIA convention in May. Actual net income of \$1.1 million for 2001 exceeded forecast by 5.6 percent. The net asset position for the AIA improved by almost \$2.9 million, growing from a negative net asset position of -\$1.5 million at the end of 2000 to positive net assets of \$1.4 million at the end of 2001.

### AEC dissolved

In November 2001, the directors and shareholders of Architects-Engineers-Contractors, Inc. (AEC) approved the dissolution of the AEC corporation. The appropriate documentation was filed with the state of Delaware in January 2002 and formal confirmation of the dissolution is expected shortly.

In December 2001, the claims of AEC's few remaining creditors were resolved and an agreement settling all potential differences between the AIA and the other investors in AEC was formally executed. The agreement releases the AIA and AEC from any potential liability to the other investors relating to AEC, while all affected AIA intellectual properties are fully restored to the AIA.

### Going forward

The AIA Board, Finance Committee and management team remain firmly committed to working within budgets planned without deficits and maintaining the vigilance that has returned the AIA to responsible, business-like operations. Our goal is to continue to meet or exceed the financial targets set forth in the Board's three-year financial plan adopted last year. A small but important demonstration of this commitment will be continuance of these quarterly reports of financial highlights to our 70,000+ members. I welcome your comments.

Sincerely,

Norman L. Koonce, FAIA  
Executive Vice President/Chief Executive Officer

## AIA Financial Results 2001(\$000's)

	2001 Budget	2001 Actual
Revenue	\$38,234	\$36,445
Operating Expense	(37,164)	(35,315)
<b>Operating Net Income</b>	<b>\$1,070</b>	<b>\$1,130</b>
Non-Operating Income	2,000	3,112
Non-Operating Expense	(708)	(295)
Unrestricted Net Income	2,362	3,947
Restricted Expense	(916)	(1,097)
<b>Total Net Income</b>	<b>\$1,446</b>	<b>\$2,850</b>

## AIA Balance Sheet (\$000's)

	Audited 2000	Unaudited 2001
<b>Assets</b>		
Cash	\$3,122	\$1,201
Investments	10,022	8,858
Property and Equipment, net	11,179	10,531
Deferred Publication Costs	3,175	2,781
Accounts Receivable	2,136	2,074
Other Assets	1,642	2,400
<b>Total Assets</b>	<b>\$31,276</b>	<b>\$27,845</b>
<b>Liabilities</b>		
Line of Credit	\$5,500	\$514
Accounts Payable	7,590	3,986
Deferred dues and other revenue	2,554	5,733
Notes Payable	17,107	16,237
<b>Total Liabilities</b>	<b>\$32,751</b>	<b>\$26,470</b>
<b>Net Assets</b>		
Unrestricted	(5,724)	(1,777)
Temporarily Restricted	3,194	2,097
Permanently Restricted	1,055	1,055
<b>Total Net Assets</b>	<b>(\$1,475)</b>	<b>\$1,375</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$31,276</b>	<b>\$27,845</b>



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