

2017–18 SECRETARY-TREASURER’S REPORT

JUDITH A. O’CONNELL, DO, MHA, FAAO



Our audited income for fiscal year 2016-17 was \$1,683,477 while our expenses were \$1,604,919 which led to an excess revenue of \$78,558. The improved revenues came from the fact that the 2017 Convocation had a slight boost in revenue, investment returned ended on a positive, and the education CME offerings were managed within budget. The Board of Trustees will continue to look for additional ways to strengthen our revenue stream.

This year, the audit was completed in eight days of field work instead of seven last year. Again, we will be adjusting the format of our reporting due to more standardization required by the IRS. AAO was also utilized as the training for new hires for the accounting firm. We welcome the opportunity since this process continues to test policies, allowing us the opportunity to make any adjustments necessary. AAO strives to continue to make sure that we hold our financials up to the highest standards. AAO continues to follow generally accepted accounting principles (GAAP), and the auditors concluded that the methods are tracking through properly and meeting the GAAP standards.

In the audit report, the auditors strongly encouraged us to complete the final migration to the new accounting software, and this process will be completed by the start of our next financial cycle. We have completed Phase III of the association management software, so the final part of the accounting process can be completed.

The membership revenue numbers showed a slight decline over the prior fiscal year. Fiscal year 2015-16 membership revenue was \$388,901, while the 2016-17 membership revenue was \$356,699, a difference of (\$30,202). Membership revenue numbers dropped some due to the changes in member needs based on insurance-related issues, ACGME partnership and the decoupling of membership with AOA, and still the uncertainty of the upcoming economic factors of many businesses. The BOT, Membership and Bylaws Committees have begun looking into changing our membership structure to allow other health care professionals to enter as full members.

As of July 31, 2015, AAO investments were valued at \$2,472,250. Their July 2017 value was \$2,539,968. The Jan. 31, 2018, investment value was \$2,728,363. Our investments in general have become a bit less volatile. We are still receiving regular dividends from our investment funds which will allow us to support the activities of the AAO.

A handwritten signature in black ink, which appears to read "Judith A. O'Connell FAAO". The signature is fluid and cursive.

Judith A. O’Connell, DO, MHA, FAAO