

2018–19 SECRETARY-TREASURER’S REPORT

JUDITH A. O’CONNELL, DO, MHA, FAAO

Our audited income for fiscal year 2017-18 was \$1,460,835 while our expenses were \$1,617,347 which led to deficit of \$156,512. The cause for the deficit can be attributed to the following: Overall, 2018 Convocation was a great event with sharing the Osteopathic Legends, but there were significant shortfalls. The AAO made changes to the event based on years of feedback, and a sixth workshop was added to assist with the overcrowding issues. The approval for the change arrived after the AAO 2018-19 budget had been approved, so we knew going into Convocation the budget would be tight, if not inadequate.



In 2016-17, AAO had a slight boost in revenue, as returned investments ended on a positive, and the education CME offerings were managed within budget. This year has not been as positive. The Board of Trustees is very aware that circumstances can change the operations of an organization over a 12-month period. Downturns in the market affected our investment income and programing shortfalls added to our revenue changes. The Board will continue to look for additional ways to strengthen our revenue stream and look at other ways to provide the quality of service that you, the members have come to expect from AAO.

The membership revenue numbers continue to show a slight improvement over the prior fiscal year. Fiscal year 2016-17 membership revenue was \$356,699, while the 2017-18 membership revenue was \$377,376, a net increase of \$20,677. Membership numbers are slightly ahead based on last year’s numbers.

As of July 31, 2018, AAO investments were valued at \$2,562,717, up \$22,749 from \$2,539,968 at the close of 2016-17. However, as of Jan. 31, 2019, our investments were down to \$2,470,306 because of market shifts and funded projects. We are still receiving regular dividends from our investment funds which will allow us to support the activities of the AAO.

The audit for 2017-18 was completed in eight days of field work. The auditors were pleased that their recommendations from 2016-17 had been addressed and implemented to their satisfaction. In the 2017-18 audit report, the auditors wrote, “We did not identify any deficiencies in internal control that we consider to be a material weakness.” That is what every organization strives for, and we did it! That does not mean that we let our guard down now; that just means we continue our rigorous review process while continuing to find ways to fine tune the process. The AAO strives to continue to make sure that we hold our financials up to the highest standards.

A handwritten signature in black ink, appearing to read "Judith A. O'Connell FAAO". The signature is fluid and cursive, with the letters "J" and "O" being particularly large and stylized.

Judith A. O’Connell, DO, MHA, FAAO