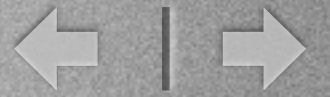


# Business meeting

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November 2010 meeting  
of the American Evaluation Association





# Treasurer's Report

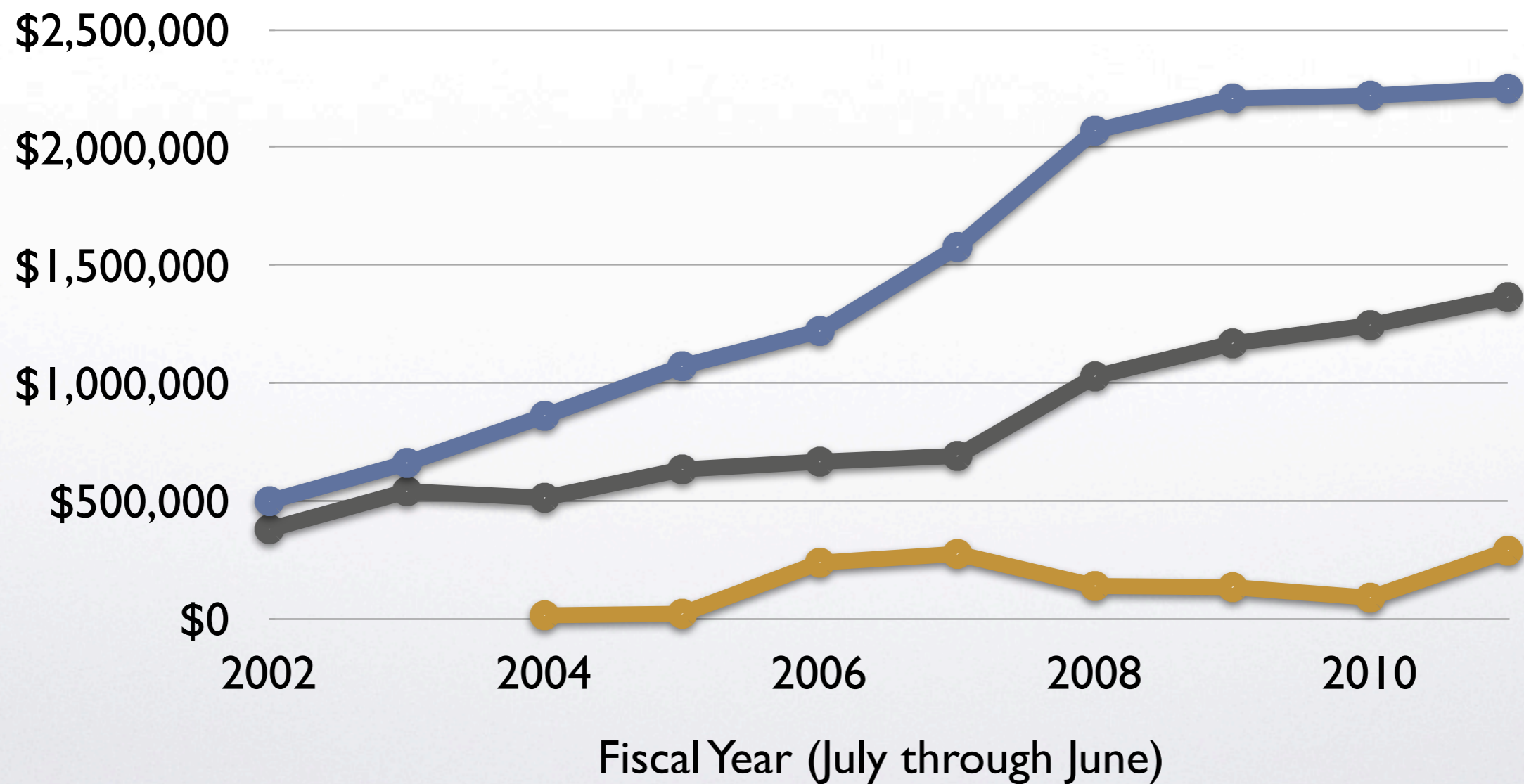


<b>Financial category</b>	<b>amount (\$US 6/30/2010)</b>
no-risk investments (laddered CDs)	\$ 1,950,000
low-risk investments (none now)	\$ 0
liquid assets (cash)	\$ 269,187
<b>Total AEA Assets (sum of accounts 6/30/2010)</b>	<b>\$ 2,219,187</b>
liabilities (deferred conference and workshop revenue: no loans, no judgments)	-\$ 291,146
<b>Net AEA Assets</b>	<b>\$ 1,928,041</b>
operating reserve (one year's operating budget for self-insurance for disasters: highest of budget for operations for current year or expenditures for operations for past 2 years)	\$ 1,396,690
general reserve (Net AEA Assets - operating reserve)	\$ 531,351



# AEA's Finances

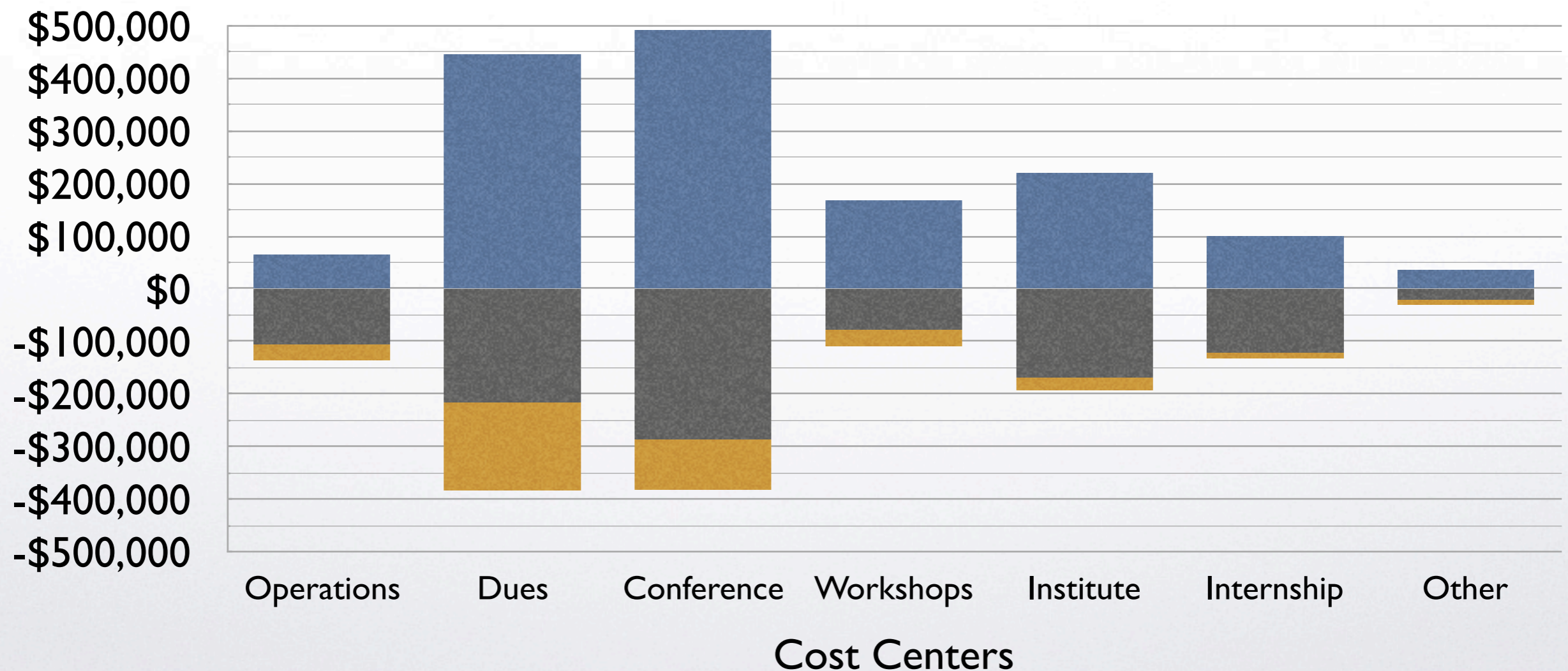
- AEA Total Funds
- Schedule I Expenditures
- Schedule II Expenditures





# Fiscal Year 2010 Revenues and Expenses For Recurring Costs and Programs (Schedule I) (July 1, 2009 – June 30, 2010)

■ Revenues ■ Expenses (NonMgmt) ■ Expenses (Management)





# VOLUNTARY AUDIT OF AEA

- audit period: July 2009 through June 2010
  - accrual accounting began July 1, 2009, at start of current fiscal year
- Findings reported
  - to Board in October 2010
  - to Membership at November 2010 Business Meeting
- Firm selection process:
  - 9 candidates responded to RFP sent to 30 audit firms
  - 2<sup>nd</sup> round of questions yielded 6 responses
  - firm selected by Finance Committee in consultation with Board:
    - DeLeon and Stang, Certified Public Accountants



# VOLUNTARY AUDIT OF AEA, II

## DeLeon and Stang, CPAs

- Gaithersburg, MD
- founded in 1984
- staff of 20
- over 25 years of experience auditing nonprofits
- 50% of audit clients now are not-for-profit associations
- 4-person audit team

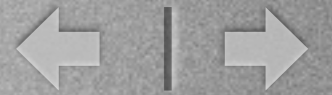




# VOLUNTARY AUDIT OF AEA, III

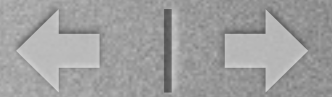
- Audit estimated to cost \$18,500 total ( $\pm$  \$3,000)
  - \$7,000 for audit (including auditor incidentals)
  - \$1,500 for federal & state tax form preparation
  - \$1,000 for teleconference arrangements
  - \$6,000 for AMC management time and expenses
  - \$3,000 (estimated misc.: 1st time audit for AEA)





# VOLUNTARY AUDIT OF AEA, IV

- *Audit actually cost: \$13,148 total*
  - \$7,000 for auditor (including incidentals)
  - \$0 for federal & state tax form preparation
  - \$0 for teleconference arrangements
  - \$5,832 for AMC management time and expenses
  - \$316 (approximate) mailing
- \$5,352 less than budgeted.



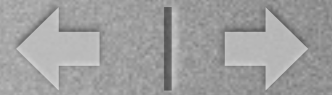
# VOLUNTARY AUDIT OF AEA, V

- Full report available at:
  - <http://bit.ly/AuditInfo>
- Findings, recommendations:
  - Should treat dues, conference fees, workshop fees paid in advance as liabilities until all services delivered. Done.
  - Record investments (CDs) "at par," i.e., the value paid for the (e.g., \$100,000) rather than at market value (e.g., \$100,500, given CD interest rates). Done.
  - Write off stale checks (checks not deposited after 90 days). Done.



# VOLUNTARY AUDIT OF AEA, VI

- Additional recommendations:
  - Amortize (spread out over 12 months) insurance, web-support, and other "lump sum" payments for services. Done.
  - Donations restricted to a specific purpose or period need to be formally labeled as such. Done
  - AMC's Flex account should use "natural" classifications, e.g., "travel," "communications." Done.
  - Firm closing date for books. No changes after June reconciliation. Done.
  - \$2.08 difference in 12 months of accounting records



# VOLUNTARY AUDIT OF AEA, VII

- Reactions to audit findings by Finance Priority Area Team (F-PAT):
  - "This is one of the cleanest audit statements I've read. I think it speaks highly of the work that Susan has been, and is, doing."
  - "From my look at small businesses and some nonprofit in the Washington area, AEA is a well-run and transparent nonprofit association."



# VOLUNTARY AUDIT OF AEA, VIII

- Recommendations for future audits by Finance Priority Area Team (F-PAT):
  - Annual audit
    - minimize cost of finding initial balances on accounts
    - maintain steady external monitoring
    - regular feedback on AMC performance to Board
  - Consider a variety of potential auditors for future audits



# Treasurer & Board Member

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