

Treasurer's comments on the 2010-2011 midyear financial reports.

The Endowment Fund is doing better than what was anticipated in the budget. Both investment value of the funds as well as earnings have exceeded expectations. That is a good thing. At 10/31/10 the value including earnings to date was \$856,995.10.

The George Wright Memorial Fund is doing very well also. The annuity is currently churning out \$176.33 a month. On 10/31/10 the balance of the fund was \$48,151.42. Based on current performance, it is likely that there will be money to make 2 awards this coming convention instead of just one.

The unrestricted fund (also known as the investment fund) at USbancorp, had \$543,989.05 in it on 10/31/10. This is very nearly the same amount that it started with on May 1, 2010. However, it should be noted that I had to withdraw about \$45,000.00 from this fund, in this 6 month period for ongoing operations. In essence then, the fund earned about \$45,000 in that 6 month period of time.

In short, I would commend our investment advisor at USbancorp, Jennifer Landers, for doing a good job for ATOS.

The Balance sheet is a comparison to one year ago. The other 3 documents show where we stand in comparison to the budget that was passed. Going to the one titled UNRESTRICTED FUND, this shows ongoing activity in operations. The first column is actual activity from 5/1/10 to 10/31/10. The second column shows what was budgeted for that activity for six months. In other words the second column is ½ of the annual budget. The third column shows whether that activity is over or under budget. Some activities are seasonal but are evenly divided in 6 equal amounts because of a 6 month period. (If this were annual it would be 12 equal amounts for 12 months) As a result, some activities will look grossly out of proportion because all of the income or expense has occurred or maybe none has occurred and the numbers are skewed.

Some things that should be observed.

1. Advertising income is way down.
2. Summer Youth Camp is way ahead and continues to grow with the annual fund drive.
3. Donations-other is an example of seasonal skewing. The annual fund drive has not yet occurred at this time.
4. As of this date, no convention receipts had come in. It now appears that ATOS will get a total of approximately \$10,400.00. This is about \$4600.00 under budget projections.
5. In Mission Matters, the convention CDs and the Allen/ATOS DVD project will be considerably over budget. However receipts for those projects should be over budget and will minimize the underestimated impact.
6. Archives is over budget primarily because of the moving expense, and associated travel expenses to Norman, OK and Schwandt expense to Seattle.

Bottom line is this. We approved a budget that was in the red by \$60,000. Between income that is \$43,000 less than budgeted and expense that is \$42,000 more than budgeted, we show a midyear negative net income of almost \$87,000. As I write this, Ken Double just informed me that ATOS was the recipient of a \$100,000 cash gift without restrictions. **Therefore, I highly recommend to the ATOS board of directors, to keep no less than \$75,000 for operating expenses for the balance of this fiscal year, and to put no more than \$25,000 into the Endowment Fund at this time.** You can add more in the future anytime you want, but it would be nice to end the year with a nearly balanced budget.

Thank you for the opportunity to have served for 5 and ½ years as treasurer. It has been fun and I've certainly enjoyed the experience. In my brief conversations with Mike Hutcherson, I am convinced that you will be in good hands and that he will bring ATOS to an even higher degree of transparency and a more refined level of accounting. I was a business man, he was a banker. I think the change for ATOS will be good.

Sincerely yours,  
Paul Van Der Molen