

NEWS OF THE ASSOCIATION

BALANCE SHEET for the years ended 31 December 1988 and 1987

ASSETS		
	1988	1987
Current Assets:		
Cash and cash equivalents	\$ 156,861	\$ 120,349
Accounts receivable	7,370	6,231
Prepaid expenses	<u>1,159</u>	<u>-</u>
Total Current Assets	165,390	126,580
Office Equipment	32,464	127,291
Less Accumulated Depreciation	<u>21,241</u>	<u>16,695</u>
Net office equipment	<u>11,223</u>	<u>10,596</u>
	<u>\$ 176,613</u>	<u>\$ 137,176</u>

LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Accounts payable	\$ 30,255	\$ 23,984
Prepaid dues	5,555	8,770
Unmatched grant funds	6,872	8,371
Long-term debt, due within one year	<u>1,444</u>	<u>-</u>
Total current liabilities	44,126	41,125
Long-term debt, due after one year	2,056	-
Fund Balance	<u>130,431</u>	<u>96,051</u>
	<u>\$ 176,613</u>	<u>\$ 137,176</u>

STATEMENTS OF REVENUES, EXPENSES, AND FUND BALANCE

	1988	1987
Revenues:	\$ 234,945	\$ 183,423
Expenses:		
Publication costs, Cambridge University Press	41,425	37,369
Other publication and distribution costs	28,661	18,930
Other awards and grants	1,996	500
Administrative services	25,112	13,183
Professional services	6,910	8,070
Other fees and honoraria	26,112	17,920
Program committee and board meetings	15,804	9,214
Secretarial services	15,515	18,344
Fund raising expenses	10,228	15,770
Office supplies and expense	8,554	12,768
<i>Carried forward</i>	180,317	152,068

	1988	1987
<i>Brought forward</i>	180,317	152,068
Postage	9,591	6,576
Telephone	4,083	4,542
Depreciation	4,546	4,232
Miscellaneous expenses	756	771
Loss on investments	<u>875</u>	<u>9,412</u>
Total expenses	<u>200,565</u>	<u>177,601</u>
Excess of revenues over expenses	34,380	5,822
Fund balance, beginning of year	<u>96,051</u>	<u>90,229</u>
Fund balance, end of year	<u>\$ 130,431</u>	<u>\$ 96,051</u>

STATEMENT OF CASH FLOWS

	1988	1987
NET INCREASE IN CASH		
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 34,380	\$ 5,822
Adjustments to reconcile excess of revenues over expenses to cash provided from operating activities:		
Depreciation	4,546	4,232
Increase in accounts receivable	(1,139)	(1,739)
(Increase), decrease in prepaid expenses	(1,159)	2,949
Increase in accounts payable	6,271	17,558
Increase, (decrease) in prepaid dues	(3,215)	2,615
Increase, (decrease) in unmatched grant funds	<u>(1,499)</u>	<u>4,226</u>
Net cash provided from operating activities	38,185	35,663
Cash flows from investment activities:		
Purchase of equipment	(5,173)	(7,856)
Cash flows from financing activities:		
Borrowing from long-term debt	4,479	-
Principal payments of long-term debt	<u>(979)</u>	<u>-</u>
Net cash provided from financing activities	<u>3,500</u>	<u>-</u>
Net increase in cash	36,512	27,807
Cash, beginning of year	<u>120,349</u>	<u>92,542</u>
Cash, end of year	<u>\$ 156,861</u>	<u>\$ 120,349</u>

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. *Basis of presentation.* The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with the standards of accounting and financial reporting under the *AICPA Audit Guide, Audits of Certain Nonprofit Organizations*.

Office equipment is carried at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of three and five years.

Revenues. Membership dues and grants are recognized as revenue in the applicable membership and grant period.

Donated services consists of wages and benefits for employees working for MESA but paid by the University of Arizona. Office space is also provided, however, a value has not been determined.

2. ORGANIZATION. The Middle East Studies Association of North America (MESA) was organized in 1966 by a group of American and Canadian scholars to promote high standards of scholarship and instruction in Middle East studies, to facilitate communication among scholars through meetings and publications, and to foster cooperation among persons and organizations concerned with the scholarly study of the Middle East. Membership includes subscriptions to the *International Journal of Middle East Studies*, the *MESA Bulletin*, and the *Newsletter*.

MESA obtained an exemption from income tax under the Internal Revenue Code Section 501 (c)(3) and as such is exempt from Federal and State income tax.

3. UNMATCHED GRANT FUNDS. MESA was awarded a National Endowment for the Humanities Challenge Grant in December 1984. To earn one dollar from the grant MESA must receive three dollars of qualified outside funds. The balance of unmatched grant funds represent amounts received from the NEH for which matching funds have not yet been received. Should MESA fail to meet the matching requirements during the grant period, any unmatched funds must be returned to the NEH.

4. COMMITMENTS AND AGREEMENTS. MESA has an agreement with the Syndics of the Press of Cambridge University (Syndics) to publish and distribute the *International Journal of Middle East Studies* and the *MESA Bulletin* to each member. Annually an allocable dollar amount of membership dues are paid to Syndics to cover the cost of the subscription.

5. LONG-TERM DEBT. The details of long-term debt are as follows:

	1988	1987
11.55% equipment installment contract, payable \$148 per month P & I	\$ 3500	-
Less amounts due within one year	<u>1444</u>	
Amount due after one year	<u>\$ 2056</u>	
The annual maturities are as follows:		
1989	\$ 1444	
1990	1620	
1991	436	
	<u>\$ 3500</u>	

SUPPLEMENTARY INFORMATION

STATEMENTS OF REVENUES

	1988	1987
Membership dues – individual	\$ 94,620	\$ 79,461
Membership dues – institutional	22,000	22,250
Contributions	11,223	17,584
National Endowment for the Humanities Challenge Grant	15,156	15,774
Donated services, University of Arizona	40,627	31,527
Annual meeting, net of expense	30,780	2,735
Publications sales	5,606	2,355
Mailing list sales	3,445	2,965
Advertising income	1,850	1,350
Interest income	<u>9,629</u>	<u>7,422</u>
Total revenues	<u>\$ 234,945</u>	<u>\$ 183,423</u>