

# AMWA Annual Financial Report, 2019–2020

**Julie Phelan, MD, MBA** / 2019–2020 AMWA Treasurer

It has been a pleasure serving as Treasurer for the American Medical Writers Association (AMWA) over the past year, and I am pleased to provide this financial report for the 2019–2020 fiscal year, which ended June 30, 2020.

I begin this report acknowledging that during the last 2 quarters of the fiscal year, the COVID-19 pandemic caused severe disruption to everyday life and a recession. The leadership of AMWA quickly put a plan in place to minimize the impact of the pandemic. AMWA staff successfully converted to a remote work environment, and expenses were curtailed. Meetings and travel plans were cancelled, and vacant staff positions were put on hold.

The success of the 2019 annual conference in San Diego, popularity of live webinars, increase in membership, and careful management of expenses helped to sustain AMWA through this uncertain time. The full financial effects of the COVID-19 pandemic may not be experienced until next year.

## Financial Performance

AMWA's net income for the 2019–2020 fiscal year was \$448,106, with significant investment gains contributing to the results.

## Revenues

Overall, revenues exceeded budget expectations by 6%, largely because of the success of the annual conference. Membership

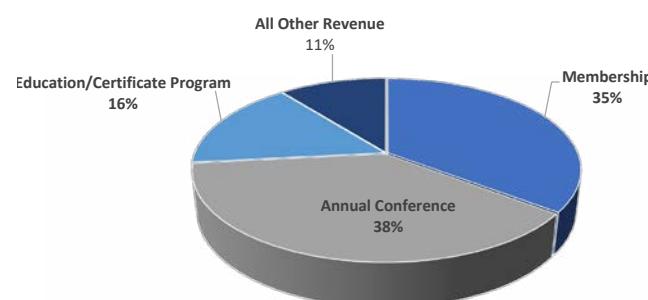
income, annual conference income, and education and certificate program income continue to be AMWA's major sources of revenue, providing 89% of AMWA's program revenue. Net investment income of \$115,074 accounted for 5% of AMWA's total revenue (Figure 1).

## Expenses

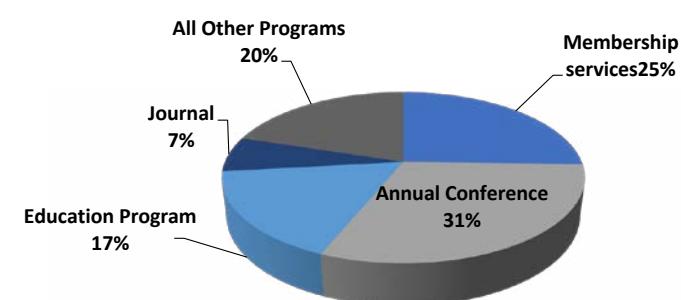
AMWA invests in programs, products, and services that bring value to members and the medical writing community. Overall, expenses were under budget by 10% for the fiscal year. Total program expenses for the fiscal year were \$1,762,592, with 31% of the expenses going to produce the annual conference, 25% of expenses being used to fund member services and benefits, and 17% of expenses funding the education program including the certificate program and online education (Figure 2).

## Reserves

Reserves are the accumulation of funds over time that enable an organization to withstand an emergency or to invest in new mission-related initiatives. Unrestricted reserves of 6 to 12 months of annual operating expenses represent a standard target for not-for-profit organizations. With budgeted annual operating expenses of \$1,615,950 for the fiscal year from July 1, 2020, to June 30, 2021, the target for AMWA's reserves ranges



**Figure 1.** Sources of program revenue for the fiscal year that ended June 30, 2020.



**Figure 2.** Sources of major program expenses for the fiscal year that ended June 30, 2020.

from \$800,000 to \$1,600,000. AMWA's unrestricted short- and long-term investment reserve level of \$1,800,000 on June 30, 2020, was within this targeted range.

AMWA's restricted Endowment and McGovern funds totaled \$205,200 and \$169,000, respectively.

### Financial Position

An organization's financial position is reflected in its asset and liability holdings. AMWA is well positioned to pay its obligations and plan for the future. Total assets were \$3,160,138 as of June 30, 2020, and the organization's liabilities totaled \$561,680.

### Financial Statement Audit Results

Abercrombie and Associates, AMWA's independent auditors, expressed an unqualified opinion regarding their audit of the financial statements for the fiscal year that ended June 30, 2020. An unqualified opinion states that the financial

statements present fairly, in all material respects, an entity's financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. AMWA continues to be in a secure financial position as it continues expanding member benefits and resources into the next fiscal year. The full audit report is available to AMWA members upon request.

### Acknowledgment

Thanks to Calibre CPA Group, PLLC, for providing the financial data and the members of the 2019-2020 Budget and Finance Committee for their review of reports and budgets: June Baldwin, Adriana Caballero, Alice Pappas, Leena Patel, Whitney Smalley-Freed and Christine Wogan, Ann Winter-Vann (2019-20 AMWA President), Gail V. Flores (AMWA President-Elect), and Susan Krug (AMWA Executive Director).

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## 80th Anniversary Donors

80th Anniversary Donors generously support AMWA's 80 years educating medical communicators.

### Organizational Donors (\$800)

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Tax-deductible donations help AMWA fulfill its mission to promote excellence in medical communication and provide education and resources in support of that goal.

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