

AMWA NEWS

AMWA Annual Financial Report, 2020-2021

Julie Phelan, MD, MBA / 2020-2021 AMWA Treasurer

As Treasurer for the American Medical Writers Association (AMWA), I am providing a financial report for the 2020-2021 fiscal year which ended June 30, 2021.

AMWA continued to experience the impact of the pandemic during this year. Staff transitioned back to working in the office on a part-time basis; however, in-person meetings and travel did not resume. AMWA held its first-ever virtual conference that was very successful and well-received. In addition, several staff positions were unfilled during this time.

AMWA also obtained a second round of funding from the Small Business Administration Payroll Protection Plan (PPP) loan to help retain staff and keep major programs running. AMWA successfully applied for and was granted forgiveness of the first and second rounds of PPP funding.

FINANCIAL PERFORMANCE

AMWA's net income for the 2020-2021 fiscal year was \$837,466 with significant investment gains and grant income from the PPP loan forgiveness contributing to these positive results.

REVENUES

Overall, program revenues exceeded budget expectations by 16%. This was largely because of the conservative income budget estimates that were used due to the uncertainty surrounding the pandemic. Membership, annual conference, and education/certificate program income continue to be AMWA's major sources of revenue, providing 86% of AMWA's program revenue. Net investment income, shown in Figure 1 in all other revenue, of \$115,074 accounted for 5% of AMWA's total revenue.

EXPENSES

AMWA invests in programs, products, and services that bring value to members and the medical writing community. Overall, program expenses were under budget by 15% for the fiscal year. Total program expenses for the fiscal year were \$1,373,546, with 31% of the expenses being used to

fund membership benefits, 17% of expenses were used to produce the virtual annual conference, 21% of expenses funded educational programs including the Essential Skills Certificate Program and online education, and 8% was used to produce the journal (Figure 2).

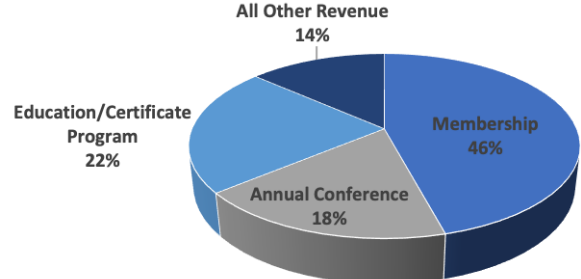


Figure 1. Sources of program revenue for the fiscal year that ended June 30, 2021.

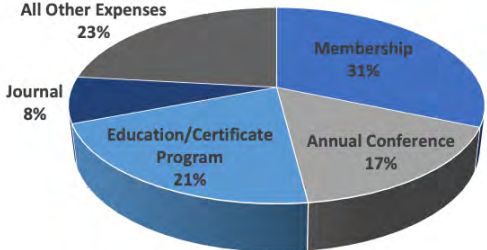


Figure 2. Sources of major program expenses for the fiscal year that ended June 30, 2021.

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 \$1,678,950 for the fiscal year from July 1, 2021, to June 30, 2022, the target for AMWA's reserves ranges from \$800,000 to \$1,600,000. AMWA's unrestricted short- and long-term investment reserve level of \$2,526,739 on June 30, 2021, exceeds this targeted range.

AMWA's restricted Endowment and McGovern funds totaled \$246,612 and \$199,665, 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 \$4,137,522 as of June 30, 2021, and the organization's liabilities totaled \$701,598.

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, 2021. 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

I thank Calibre CPA Group, PLLC, for providing the financial data, and the members of the 2020-2021 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 (as well as ex officio members Gail V. Flores [2020-2021 AMWA President], Katrina R. Burton [AMWA President-Elect], and Susan Krug [AMWA Executive Director]).

Author declaration and disclosures: *The author notes no commercial associations that may pose a conflict of interest in relation to this article.*

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