Our audited income for fiscal year 2018-19 was $1,432,934 while our expenses were $1,585,570 which led to a deficit of $91,084. The cause for the deficit can be attributed to the need to make a draw on the investment to offset the deficit from the prior year. Membership changes in AOA with the decoupling are affecting many of the specialty colleges. The change in the CME guidelines removing specialty specific credit caused a shift in our educational platform. I am pleased to announce at this time, AOA will begin allowing specialty specific credit and we are hoping that change will be implemented soon for our group.

In 2017-18, AAO had a deficit. This is the second year for a deficit. The cause for the decrease was some of the same factors for the decline this past year. Membership, Convocation and return on investment have taken a toll on many non-profits this year. The Board of Trustees continues to look for additional ways to provide quality member benefits for our members. This year we launched our new Member Benefit of assisting in Practice Management issues. Our staff has partnered with Physician Revenue Management Inc. (PRM) to answer your questions, provide useful information and find effective solutions. PRM has more than 20 years of experience in the clinical, practice management, payment resolution and revenue cycle arenas. The Board will continue to look for additional ways to strengthen our revenue stream and look at other ways to provide the quality of service that you, the members have come to expect from AAO.

The membership revenue numbers continue to show a slight decline over the prior fiscal year. Fiscal year 2017-18 membership revenue was $377,376, while the 2018-19 membership revenue was $348,530, a decrease of $28,846. Membership numbers are slightly behind based on last year’s numbers.

As of July 31, 2019, AAO investments were valued at $2,525,185, down $37,532 from $2,562,717 at the close of 2017-18. However, as of Jan. 31, 2020, our investments are up to $2,670,779 due to additional donations and market shifts. The AAO continues to fund research projects, so keep submitting those grant applications. We are still receiving regular dividends from our investment funds which will allow us to support the activities of the AAO.

The review for 2018-19 was completed in five days of field work. The Auditor’s conclusion was based on our review. We are not aware of any materials modifications that should be made to the financial statements in order to be in accordance with the principles generally accepted in the United States of America. AAO needs to look for other revenue generators to make sure that we do not fall into another year of a deficit. The Academy did adopt the new accounting guidance by the Financial Accounting standard board under Financial Accounting Standard update for Not-for-Profit Entities.

They did not find any deficiencies in internal control that is considered to be a material weakness. Another successful review of the Academy’s records.

The AAO strives to ensure that we hold our financials up to the highest standards.