

2020-21 SECRETARY-TREASURER'S REPORT

JUDITH A. O'CONNELL, DO, MHA, FAAO

Our audited income for fiscal year 2019-20 was \$1,449,322 while our expenses were \$1,376,044 which led to excess of \$73,278. The cause for the excess was due to the cost saving cuts of the Academy on all levels, from program services, to staff reduction of hours during this Pandemic year of COVID-19. Our Investment did have a slight increase from the last Fiscal Year. Membership is still a major source our concern aggravated by the Pandemic.



In 2018-19, AAO had a deficit. This is the third year for a projected deficit. Unfortunately, the deficits from previous years attributed to the need to make a draw on investments to offset the deficit. Membership changes in AOA with the decoupling are affecting many of the specialty colleges. The change in the CME guidelines removing specialty specific credits caused a shift in our educational platform. Membership, Convocation and return on investment have taken a toll on the AAO. The Board of Trustees continue to look for additional ways to provide quality member benefits for our members. This year has been very challenging, and the year ahead is full of uncertainty.

The membership revenue numbers have a slight increase over the prior fiscal year. Fiscal year 2018-19 membership revenue was \$348,530, while the 2019-20 membership revenue was \$369,059, a slight increase of \$20,529. Growing and retaining membership is still a concern of the organization.

As of July 31, 2020, AAO investments were valued at \$2,608,306, an increase of \$83,121 from \$2,525,185 at the close of 2018-19. However, as of Jan. 31, 2021, our investments are up to \$2,718,069 due to additional donations and market shifts. The AAO continues to fund research projects within our means based on receiving dividends from our investment funds.

The financial review for 2019-20 was completed virtually over ZOOM and this did take longer due to an unexpected backlog of client needs. The Auditors spent additional hours reviewing the files, as some of the IRS rules and regulation are changing for the upcoming year. This required the Audit team to ask more questions and do additional testing to ensure that AAO would be ready to comply with the upcoming changes. The Academy is in the process of implementing the changes.

In all of our reports we had mentioned that AAO needs to look for other revenue generators to make sure that we do not fall into another year of a deficit. This year in the midst of the Pandemic the Academy was able to covert to Virtual CME offerings. AAO is in the process of looking for other fund-raising opportunities.

The Auditors 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 continue to make sure that we hold our financials up to the highest standards.

A handwritten signature in black ink, appearing to read "Judith A. O'Connell FAAO". The signature is stylized and cursive.

Judith A. O'Connell, DO, MHA, FAAO