

# Executive Director's Message

## 2019 Financial Report

**George M. Segall, MD** - Executive Director, American Board of Nuclear Medicine

The ABNM fiscal year is January 1 through December 31. A full audit is conducted every two years by a certified public accounting firm, UHY. The firm conducts a less extensive financial review in alternate years. In 2019, UHY audited ABNM's financial statements for the year ending December 31, 2018. The report dated August 1, 2019, noted total assets of \$3,362,783 with a decrease of \$100,105 compared to the prior year. The report also noted that ABNM financial statements conformed to generally accepted accounting principles.

The United States Income Tax Return, Form 990, filed by all non-profit organizations, is publically available. There are many websites that provide free access to the tax returns, including the returns filed by the ABNM. One such website is <http://foundationcenter.org/find-funding/990-finder>.

The ABNM started 2019 with a budget of \$814,686 in operating (non-investment) income. At the end of the year, the estimated operating income was \$903,910. Income was above budget mostly due to a larger than expected number of physicians taking the certification examination, and larger number of physicians participating in CertLink®.

The ABNM started 2018 with a budget of \$814,686 in operating expense, which was \$67,632 lower than the amount budgeted for the previous year due to cost containment measures taken during 2019, including the elimination of 1 full-time employee (FTE) position, and decreasing meeting costs. At

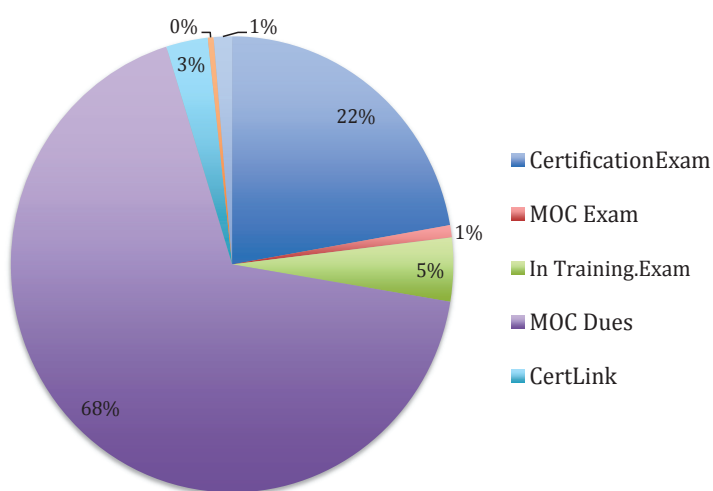
the end of the year, the estimated operating expense was \$839,755. Although expense was slightly above budget, it was still lower than prior year expense despite inflation.

The ABNM ended 2019 with a net operating income of 64,155, versus -\$29,440 for the prior year. A break down of the major income and expense categories for 2019 is shown in the following diagrams.

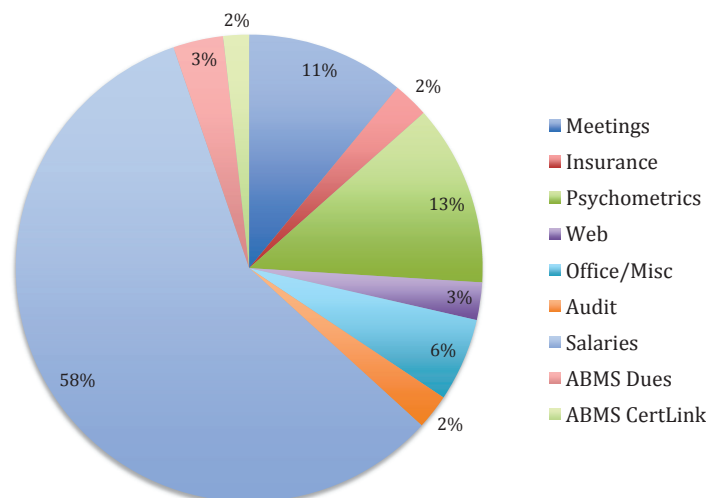
The largest percentage of income (68%) was derived from Maintenance of Certification (MOC) annual dues. Annual dues were \$150 when they were instituted in 2007. They were increased to \$175 in 2010. The dues were increased to \$400 in 2012, to offset the fee paid by diplomates for the MOC examination. As a result, the MOC exam fee, which was \$2,050 in 2011, has been decreased by \$205 per year. The exam fee was \$410 in 2019, and will be phased out completely in 2021. Diplomates who enrolled in CertLink®, a longitudinal learning and self-assessment program launched on January 3, 2018 as an alternative to the MOC exam, paid a one-time registration fee. Starting in 2019, the cost for participating in CertLink® is included in the annual MOC fee.

Annual MOC dues were increased to \$500 in 2019 after 6 years without an increase, but inflation made it impossible

### 2019 Operating Income



### 2019 Operating Expense



## Executive Director's Message

### 2019 Financial Report - *Continued*

to maintain a balanced operating budget without a dues increase despite reducing the number of staff in the ABNM office from 4 to 3 full-time employees, as well as reducing travel and meeting expenses.

The largest expense was salary for five employees (3.5 FTE), including the Executive Director (0.25 FTE), Associate Executive Director (0.25 FTE), Administrator, MOC and Examinations Program Manager, and Diplomate Relations and Communications Program Manager. Salaries were 58% of total expense in 2019. ABNM operations and exam production is handled by ABNM staff in St. Louis and directors located throughout the United States using email and conference calls. The ABNM also meets twice a year. These two meetings, plus travel to other meetings, account for 11% of expenses.

The ABNM strives to be financially responsible, and is not indifferent to the financial burden of high annual MOC dues on diplomates. The ABNM is committed to improving MOC to be easier and more valuable for busy physicians. If more diplomates participated in CertLink<sup>®</sup>, annual dues could be decreased for all physicians.

The ABNM had \$2.89 million in an investment portfolio on December 31, 2019, which is managed by Wells Fargo Advisors. The investment portfolio is the ABNM's reserve fund for unexpected financial difficulties, and major new initiatives. The value of the portfolio increased 19% during 2018, but the recent bear market erased those gains. The ABNM is confident, however, that our balanced portfolio will weather recent changes over the long term.



**ABNM**  
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ABMS MOC<sup>®</sup>  
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