

Executive Director's Message

2018 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 LLP Certified Public Accountants. The firm conducts a less extensive financial review in alternate years. In 2018, UHY reviewed ABNM's financial statements for the year ending December 31, 2017. The report dated July 3, 2018, noted total assets of \$3,462,843 with an increase of \$160,645 compared to the prior year. The report also noted that ABNM accounting practices conform to organizational standards.

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>.

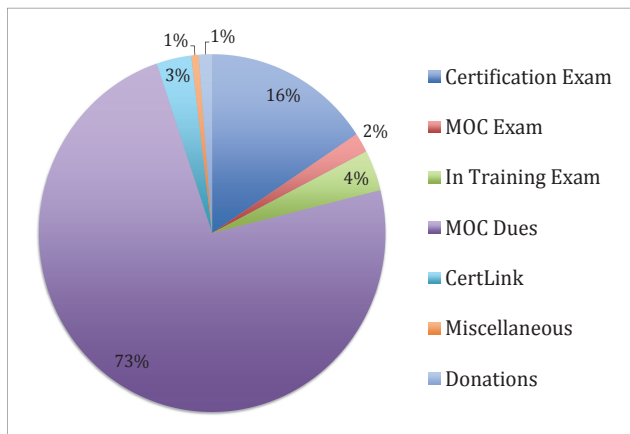
The ABNM started 2018 with a budget of \$788,837 in operating (non-investment) income. At the end of the year, the estimated operating income was \$863,023. Income was below budget for examination and CertLink fees (-\$182,050), and donations/miscellaneous (-\$2,589). Income was above budget for annual MOC dues (\$258,825).

The ABNM started 2018 with a budget of \$882,318 in operating expense. At the end of the year, the estimated operating expense was \$892,463. Expense was below budget for meetings and general operations (\$-5,720). Expense was above budget for salaries (\$15,865).

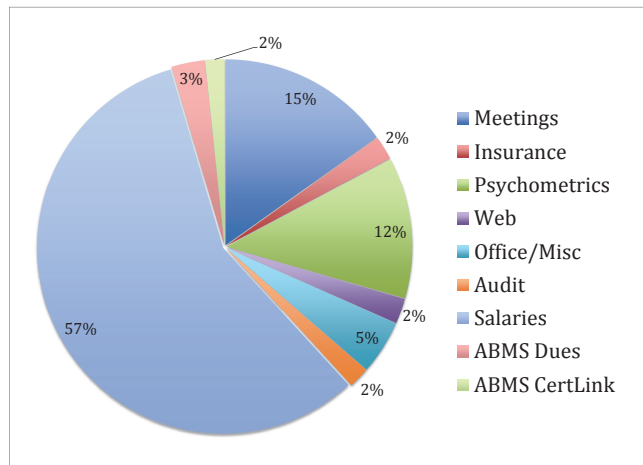
The ABNM ended 2018 with a net income of -\$29,440.

A break down of the major income and expense categories for 2018 is shown in the following diagrams.

2018 Operating Income



2018 Operating Expense



The largest percentage of income (73%) 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, mostly 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 2018 exam fee was \$615. The exam fee will be phased out completely in 2021. Diplomates who enrolled in CertLink®, a new longitudinal learning and self-assessment program launched on January 3, 2018 as an alternative to the MOC exam, paid a one-time registration fee.

The largest expense was salary for six employees, including the Executive Director (0.25 FTE), Associate Executive Director (0.25 FTE), Administrator, MOC and Examinations Program Manager, Diplomate Relations and Communications Program Manager, and one Secretary. Salaries were 57% of total expense in 2018. 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 15% of expenses. The ABNM is one of 24 member boards of the American Board of Medical Specialties (ABMS). ABMS membership dues account for 3% of expenses.

The ABNM had \$2.42 million in an investment portfolio on December 31, 2018, which is managed by Wells Fargo Advisors. The value of the portfolio decreased 2.6% since December 31, 2017. The investment portfolio is the ABNM's

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reserve fund for unexpected financial difficulties, and major new initiatives.

The ABNM is financially robust, but maintaining a balanced operating budget is becoming more challenging. The ABNM has not increased annual MOC dues of \$400 since 2012, or the initial certification exam fee of \$2400 since 2009. The MOC exam fee has been decreasing by \$205 each year, and will be zero in 2021. Starting in 2019, the cost for participating in CertLink is included in the annual MOC fee.

While the ABNM has not increased fees for the past 6 years, expenses have been steadily increasing due to inflation. The ABNM has avoided passing these inflationary increases to diplomates by cutting costs. The ABNM has significantly reduced expenses in the 2019 budget by reducing the number of staff in the ABNM office from

4 to 3 full-time employees, as well as reducing travel and meeting expenses. These measures are expected to save \$93,901 compared to last year's budget. The ABNM also plans to use \$75,745 of investment income (3% of total investments). Unfortunately, these measures are not enough to balance the budget without increasing fees. The ABNM, therefore, has reluctantly decided to increase the annual MOC fee from \$400 to \$500, starting in 2019. The fee to take the initial certification exam will increase from \$2400 to \$2900. The ABNM hopes that diplomates will understand that the ABNM is being financially responsible, and is not indifferent to the financial burden on individual diplomates. The ABNM is also committed to improving MOC to be easier and more valuable for busy physicians, while continuing to uphold high professional standards for Nuclear Medicine.