

# Executive Director's Message

## 2020 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 2021, UHY audited ABNM's financial statements for the year ending December 31, 2020. The report dated June 23, 2021, noted total assets of \$4,381,631 with an increase of \$471,283 compared to the prior year. The report also noted that ABNM financial statements conformed to generally accepted accounting principles, and that no material modifications were required.

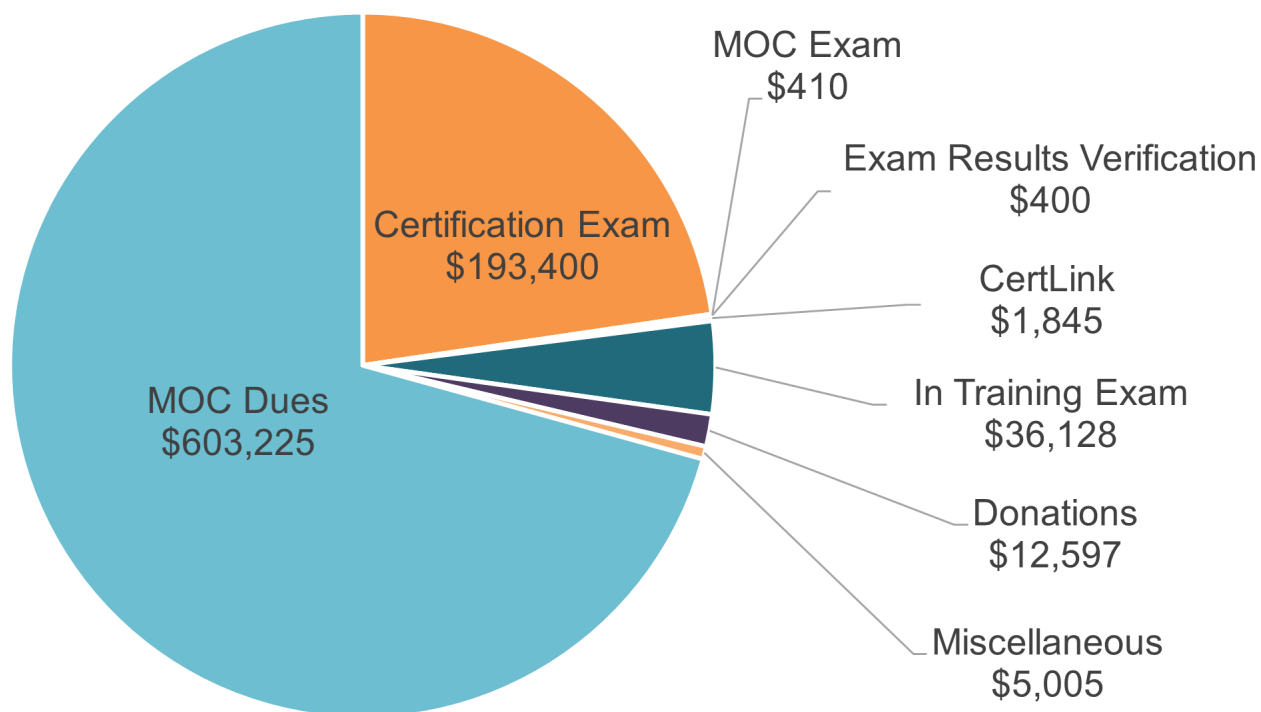
The United States Income Tax Return, Form 990, filed by all non-profit organizations, is publically available. There are many websites that provide free access to the tax returns, including the returns filed by the ABNM. One such website is <http://foundationcenter.org/find-funding/990-finder>.

The ABNM started 2021 with a budget of \$800,763 in

operating (non-investment) income. At the end of the year, the estimated operating income was \$853,010. Income was slightly above budget mostly due to a larger than expected number of physicians paying examination application fees, and more diplomates paying MOC fees.

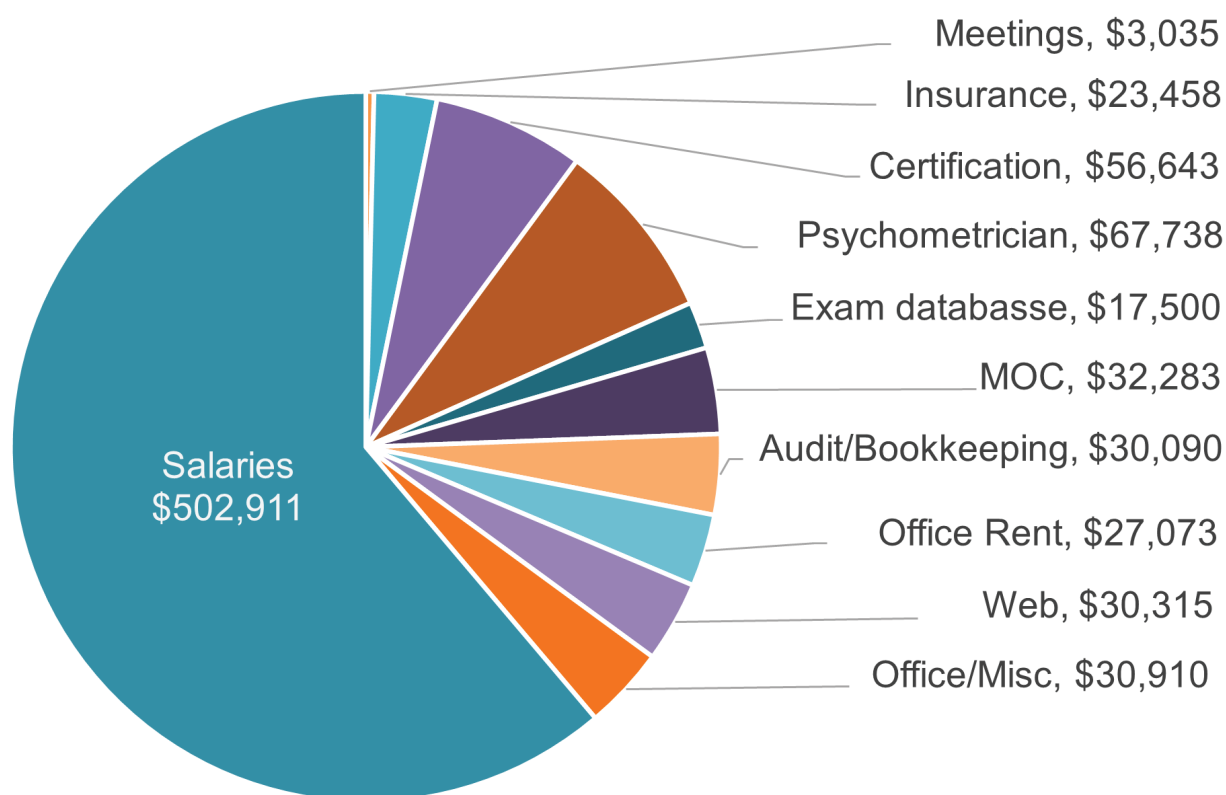
The ABNM started 2021 with a budget of \$843,776 in operating expense, which was \$19,818 lower than the amount budgeted for the previous year. At the end of the year, the estimated operating expense was \$821,956, mostly due to the impact of COVID-19 on business related travel, as well as a reduction in general operating expense.

The ABNM ended 2021 with a net operating income of \$31,054, versus \$239,253 for the prior year. A breakdown of the major income and expense categories for 2021 is shown in the following diagrams.



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### 2020 Financial Report – Continued



The largest percentage of income (71%) was derived from the Maintenance of Certification (MOC) annual fee. The annual fee was \$150 when it was instituted in 2007. It was increased to \$175 in 2010. The fee was increased to \$400 in 2012 to eliminate additional registration fees paid by diplomates for the MOC examination (and CertLink, which was launched in 2018). The annual MOC fee was increased to \$500 in 2019 after 6 years without an increase because inflation made it impossible to maintain a balanced operating budget without an increase, despite reducing the number of staff in the ABNM office from 4 to 3 full-time employees. Due to COVID related decrease in travel and meeting expense, diplomates received a \$50 credit in 2021 and 2022, effectively reducing the annual MOC fee to \$450.

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 61% of total expense in 2021. ABNM operations and exam production is handled by ABNM staff in St. Louis, and by directors located throughout the United States using email and conference calls. The ABNM also meets twice a year. Due to the impact of COVID-19, meetings were held virtually rather than in-person in 2020 and 2021.

The ABNM has \$3.95 million (as of December 31, 2021) in an investment portfolio managed by Wells Fargo Advisors. The investment portfolio is the ABNM's reserve fund for unexpected financial difficulties, as well as major new initiatives. The value of the portfolio increased 12.6% during 2021.

A major new initiative in 2021 was updating the examinations database. The ABNM signed a contract with Internet Testing Systems to provide a new system for authoring, storing, and delivering questions for ABNM examinations. The new contract also made it possible to administer the In-Training Examination on-line for the first time in January 2022.