

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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AND AFFILIATED FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Audit Committee
The American Board of Internal Medicine
and Affiliated Foundation
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The American Board of Internal Medicine and Affiliated Foundation, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Audit Committee
The American Board of Internal Medicine
and Affiliated Foundation

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The American Board of Internal Medicine and Affiliated Foundation as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 27, 2021

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 75,605,428	\$ 65,834,520
Accounts Receivable, Net	226,063	100,332
Grants Receivable	-	118,533
Investments, at Fair Value	92,462,983	71,873,818
Investments, at Fair Value, Deferred Compensation Plan	1,673,929	1,264,273
Prepaid Expenses	1,838,264	2,244,459
Property, Net	308,378	389,015
Furniture and Equipment, Net	2,662,199	3,510,229
Total Assets	\$ 174,777,244	\$ 145,335,179
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts and Grants Payable and Accrued Expenses	\$ 1,298,379	\$ 1,163,521
Accrued Compensation	5,487,846	5,593,612
Deferred Revenue:		
Certifying Examinations	37,193,180	34,900,630
Maintenance of Certification	46,809,866	51,332,130
Deferred Compensation	1,604,631	1,264,274
Deferred Rents	10,772,799	9,872,352
Total Liabilities	103,166,701	104,126,519
NET ASSETS		
Without Donor Restrictions	71,410,543	41,090,127
With Donor Restrictions	200,000	118,533
Total Net Assets	71,610,543	41,208,660
Total Liabilities and Net Assets	\$ 174,777,244	\$ 145,335,179

See accompanying Notes to Consolidated Financial Statements.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and Gains:		
Certification Exams:		
Internal Medicine	\$ 14,152,387	\$ 16,608,068
Subspecialties and Other	17,316,835	17,336,619
Credit Card Fees	(707,281)	(759,895)
Total Certification Exams	30,761,941	33,184,792
Maintenance of Certification Program:		
Examination	13,226,756	11,771,107
Program Fee	21,103,883	18,475,431
Credit Card Fees	(772,386)	(667,805)
Total Maintenance of Certification Program	33,558,253	29,578,733
Other Revenue:		
Investment Income, Net	23,438,294	4,425,320
Other Income	902,128	1,263,636
Total Other Revenue	24,340,422	5,688,956
Total Revenues and Gains	88,660,616	68,452,481
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	157,985	201,198
Total Revenues, Gains, and Other Support Without Donor Restrictions	88,818,601	68,653,679
OPERATING EXPENSES		
Operating Expenses	58,498,185	57,136,485
Total Operating Expenses	58,498,185	57,136,485
Change in Net Assets Without Donor Restrictions	30,320,416	11,517,194
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant Revenue	239,452	53,233
Net Assets Released from Restrictions	(157,985)	(201,198)
Change in Net Assets With Donor Restrictions	81,467	(147,965)
CHANGE IN NET ASSETS	30,401,883	11,369,229
Net Assets - Beginning of Fiscal Year	41,208,660	29,839,431
NET ASSETS - END OF FISCAL YEAR	\$ 71,610,543	\$ 41,208,660

See accompanying Notes to Consolidated Financial Statements.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 30,401,883	\$ 11,369,229
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Reinvested Dividends	(1,580,075)	(1,109,409)
Unrealized Gain on Investments, Net	(12,161,397)	(2,835,329)
Realized Gain on Sale of Investments, Net	(10,012,649)	(183,520)
Depreciation and Amortization	1,546,960	1,742,376
Deferred Compensation Expense	(69,299)	10,665
Deferred Rents	900,447	944,633
Change in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	(125,731)	575,797
Grants Receivable	118,533	147,965
Prepaid Expenses	406,195	(595,662)
Increase (Decrease) in:		
Accounts and Grants Payable and Accrued Expenses	134,858	(830,063)
Accrued Compensation	(105,766)	789,021
Deferred Revenue	(2,229,714)	(1,988,177)
Net Cash Provided by Operating Activities	7,224,245	8,037,526
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale and Maturities of Investments	3,957,910	3,285,627
Purchases of Investments	(792,954)	(58,364)
Purchases of Property, Furniture and Equipment	(618,293)	(353,923)
Net Cash Provided by Investing Activities	2,546,663	2,873,340
NET INCREASE IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS	9,770,908	10,910,866
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents - Beginning of Year	65,834,520	54,923,654
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	\$ 75,605,428	\$ 65,834,520

See accompanying Notes to Consolidated Financial Statements.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The American Board of Internal Medicine (ABIM) is a nonprofit organization. The primary purpose of ABIM is the establishment and maintenance of standards of training, education, and qualification of physicians practicing internal medicine within the United States. The assets of ABIM are generally available for operating purposes, with no restrictions by external donors, grantors, or agencies.

The ABIM Foundation (the Foundation) is a nonprofit organization organized exclusively for charitable, educational, and scientific purposes in order to benefit, perform the functions of, and carry out the purposes of ABIM. The assets of the Foundation are available for general operating purposes, with no significant restrictions by external donors, grantors, or agencies.

The consolidated entities are collectively referred to as the Organization in these financial statements. A summary of the Organization's significant accounting policies is as follows:

Principles of Consolidation

The accounts of ABIM and the Foundation are included in the consolidated financial statements based upon ABIM's control and economic interest factors with the Foundation. All material intercompany balances and transactions have been eliminated.

Basis of Accounting

Revenue and expenses are recognized using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents equals fair value.

Accounts Receivable

Accounts receivable are stated at their estimated net realizable values. Accounts receivable do not bear interest. It is the Organization's policy to provide an allowance for doubtful accounts on its accounts receivable. The allowance is based on management's estimate of amounts that may not be collected. Delinquency of accounts receivable is generally not a significant issue because most accounts receivable relate to the Maintenance of Certification (MOC) program.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Management is generally able to collect amounts due or restrict a candidate from completing the MOC program in the event of nonpayment. When management determines an account is not collectible it charges such write-off either to the allowance account when required or directly to bad debts expense. At June 30, 2021 and 2020, accounts receivable is recorded net of allowance for doubtful accounts of \$20,000.

Investment Valuation and Investment Income Recognition

Investments are stated at fair value, measured as described in Note 4. Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the annual basis. Dividends are recorded on the ex-dividend date.

Property, Furniture and Equipment, and Depreciation and Amortization

The Organization generally capitalizes eligible expenditures greater than \$1,000. Leasehold improvements are stated at cost and are amortized over the shorter of their estimated useful life or the remaining lease term using the straight-line method. Furniture and equipment, including capitalized software, are stated at cost and are depreciated over five to seven years using the straight-line method.

Impairment of Long Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use and eventual disposition of the assets is less than its carrying amount. Impairment, if any, is assessed using discounted cash flows. No impairments of long-lived assets placed in service have occurred to date.

Net Assets Classification

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are the net assets that are available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets with donor restrictions are net assets that are restricted by donor-imposed stipulations. Some grants are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Net assets may be donor-restricted for various purposes, such as use in future periods or use for specified purposes. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At June 30, 2021 and 2020, the Organization does not have any net assets with donor-imposed restrictions that were perpetual in nature.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization receives revenues from the administration of its certification exams and the MOC program.

Certification Exams: Revenues from certification exams for internal medicine, subspecialties, and other disciplines are recognized when the applicable exam is administered. Deferred revenue, certifying examinations represents amounts received in advance of a scheduled certification exam date.

MOC Program: On January 1, 2014, the Organization revised the nature of the MOC program. The MOC program is now a continuous program based on a calendar year. Upon entering the MOC program, a diplomate must actively maintain their certification by completing certain requirements. These requirements are expected to be completed every 2, 5, and 10 years. Diplomates choose to pay an all-inclusive bundled MOC fee annually or to prepay for 10 years for access to the program. The single program fee includes access to all MOC program products made available by ABIM over the term of contract, 12 months with annual payment and 120 months with 10-year payment. The single program fee also includes one secure examination. Secure exams must be registered for during the term covered by payment, within 12 months with annual payment and 120 months with the 10-year payment. The MOC program fee for annual registrations is recognized straight-line through December 31 in the year of registration. The MOC program fee for diplomates who have prepaid 10 years is recognized straight-line through December 31 of the 10th year.

Effective January 2018, the Organization replaced its all-inclusive bundled Maintenance of Certification, (MOC), fee with a new two component fee structure. The new two-component fee structure includes a fixed program fee and a separate assessment fee. The new fee structure was designed to provide more flexibility and payment options for both the program fee and assessments when diplomates enroll in the program or register for an assessment.

Program Fee

When registering and paying the program fee diplomates now have the option of paying for just the current year or paying in advance for multiple years up to a total of 10 years including the current year. Registration and payment of the program fee is based upon a calendar year 12-month period. Upon payment of the program fee a diplomate has access to ABIM's physician portal as well as access to all of ABIM's products and services. Revenue from the program fee is recognized on a straight-line basis through December 31st each year for the number of month's paid since there are no distinct performance obligations. For example, revenue from an annual program fee payment paid by a diplomate on January 1, 2021 would be realized on a straight-line basis over the next 12 months ending on December 31, 2021. The same revenue recognition procedure would apply if a diplomate paid the program fee for 10 years.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Program Fee (Continued)

The revenue would be realized on a straight-line basis over 120 months. Deferred Revenue Program Fee includes \$22,295,162 and \$24,086,000 as of June 30, 2021 and 2020, respectively. The deferred revenue will be recognized as program fee revenue on a straight-line basis over the remaining term of the period covered by the payment.

Assessments

When registering for an assessment a diplomate now has two options to choose from: a Knowledge Check-In (KCI), offered every two years or the traditional 10-year assessment. Diplomates are required to pay for all assessments at time of registration. Revenue from assessments is recognized in the month the assessment is taken by the diplomate. Deferred Revenue Assessments includes \$18,535,000 and \$23,083,000 as of June 30, 2021 and 2020, respectively. The deferred revenue will be recognized as assessment revenue when the assessment is administered.

The Organization recognizes assessment revenue when the assessment is administered and the portion of the fee applicable to the program fee over the term of contract. The timing of the Organization's revenue recognition may differ from the timing of payment by its diplomats. When payment precedes the provision of the related services, the Organization records deferred revenue until the performance obligations are satisfied.

Grant Revenue

Grant revenue consists of unconditional promises to give to the Organization. Grant revenue arising from unconditional promises to give which are expected to be received in approximately one year is recorded at their net realizable value. Grant revenues arising from unconditional promises to give which are expected to be realized in excess of one year are recorded at the present value of the net realizable value using reasonable cost of capital interest rates applicable to the years in which the promises are to be realized.

Grants are considered available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions which are completely met in the same fiscal year are reported as support with donor restrictions with the associated amount reported as net assets released from restrictions.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Income

Other income consists primarily of interest income, other exam related service fees such as shared exam data, candidate exam analysis, and rescoring. Interest income is recorded in the month the transaction occurs. Service fees are recorded as other income as the service is performed.

Credit and Market Risk

Credit risk arises from the potential for an issuer or the other counterparty to default on its contractual obligation. Market risk is the risk that the market value of an investment will fluctuate as a result of changes in market price. Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist principally of cash and cash equivalents and investments. The Organization regularly maintains amounts on deposit in excess of insured limits. The Organization believes it limits its credit exposure by placing its cash and cash equivalents with what management believes to be high credit quality financial institutions. Investments include the risk that market value will change. The Organization mitigates this risk by the adoption and execution of what management believes to be prudent investment policies and procedures.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Revenue with Contracts with Customers

During the year ended June 30, 2021, the Organization adopted FASB Topic 606, *Revenue from Contracts with Customers*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the Organization's financial position or changes in its net assets upon adoption of the new standard.

Future Accounting Pronouncements – ASU 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Organization for the year ended June 30, 2023. Lessees and lessors are required to recognize and measure leases using one of two methods: 1) at the beginning of the earliest comparative period presented using a modified retrospective approach, with a cumulative effect adjustment at the beginning of the earliest period presented and all comparative period financial statements restated; or 2) at the beginning of the period of adoption using a modified retrospective approach, with a cumulative effect adjustment at the beginning of the period of adoption. The Organization is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated its subsequent events through October 27, 2021, which represents the date the consolidated financial statements were available to be issued, and determined that there were no material subsequent events requiring adjustment to, or disclosure in, the consolidated financial statements for the year ended June 30, 2021.

NOTE 2 LIQUIDITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing financial resources to meet expenses over a 12-month period, the Organization considers all expenses related to its ongoing mission-related activities as well as the conduct of services undertaken to support these activities.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	2021	2020
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 75,605,428	\$ 65,834,520
Accounts Receivable, Net	226,063	100,332
Grants Receivable	-	118,533
Investments, at Fair Value	92,262,983	71,873,818
Financial Assets Available to Meet General Expenditures Within One Year	\$ 168,094,474	\$ 137,927,203

NOTE 3 INCOME TAXES

The Internal Revenue Service has granted the Organization, which is not a private foundation, exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Accounting principles generally accepted in the United States of America requires the Organization to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken any uncertain tax positions that more likely than not would not be sustained upon examination by a tax authority. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and has taken no uncertain tax positions that require adjustments to the consolidated financial statements. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 INVESTMENTS

The investment portfolio consists of the following at June 30:

Description	2021	
	Fair Value	Cost
Mutual Funds:		
Short Term Corporate Bond Fund	\$ 2,241,943	\$ 2,248,072
TIFF Multi-Asset Fund	45,120,906	36,652,556
Investment Partnerships:		
TIFF Keystone Fund, L.P.	45,100,134	39,600,828
Subtotal	<u>92,462,983</u>	<u>78,501,456</u>
Money Market Funds	<u>22,903,072</u>	<u>22,903,072</u>
Subtotal	115,366,055	101,404,528
Less: Money Market Funds Reported as Cash	<u>22,903,072</u>	<u>22,903,072</u>
Total	<u>\$ 92,462,983</u>	<u>\$ 78,501,456</u>

Description	2020	
	Fair Value	Cost
Mutual Funds:		
Short Term Corporate Bond Fund	\$ 2,195,087	\$ 2,177,065
TIFF Multi-Asset Fund	35,853,288	37,778,389
Investment Partnerships:		
TIFF Keystone Fund, L.P.	33,825,443	30,118,234
Subtotal	<u>71,873,818</u>	<u>70,073,688</u>
Money Market Funds	<u>20,674,876</u>	<u>20,674,876</u>
Subtotal	92,548,694	90,748,564
Less: Money Market Funds Reported as Cash	<u>20,674,876</u>	<u>20,674,876</u>
Total	<u>\$ 71,873,818</u>	<u>\$ 70,073,688</u>

Investment income, net, includes the following:

	2021	2020
Realized Gain on Sale of Investments, Net	\$ 10,012,649	\$ 183,520
Unrealized Gain on Investments, Net	12,161,397	2,835,329
Interest and Dividends	<u>1,264,248</u>	<u>1,406,471</u>
Total	<u>\$ 23,438,294</u>	<u>\$ 4,425,320</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 INVESTMENTS (CONTINUED)

Investments attributable to deferred compensation invested in various participant directed investments are as follows:

	2021	2020
Balance - Beginning	\$ 1,264,273	\$ 945,933
Employee Deferrals	62,520	62,520
Increase in Fair Value	347,136	255,820
Balance - Ending	\$ 1,673,929	\$ 1,264,273

NOTE 5 FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for instruments measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Certain mutual funds held are deemed to be actively traded. However, the Organization has an investment in the Investment Fund for Foundation Multi-Asset Fund. Since the Organization holds units in the fund, and because the units are not traded on an open exchange, they are valued at NAV per unit based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimating fair value.

Pooled Separate Accounts: Valued at NAV per unit based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimating fair value. The NAV is based upon the fair value of the underlying investments comprising the pooled separate accounts less their liabilities. This practical expedient is not used when it is determined to be probable that the Organization will sell the investment for an amount different than the reported NAV.

Fixed Annuity Contracts: Fixed annuity contracts are valued at fair value by the custodian by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As transactions occur at contract value, fair value is determined annually for financial statement purposes only. In determining the reasonableness of the methodology, management evaluates a variety of factors including review of existing contracts, economic conditions, industry and market developments, and overall credit ratings. Certain unobservable inputs are assessed through review of contract terms (for example, duration or payout date) which others are substantiated utilizing available market data (for example, swap curve rate).

Investment Partnerships: Investment partnerships are not traded on an open exchange and the fair values of these funds are not readily determinable. These investments are valued at NAV based on the applicable percentage ownership of the underlying funds' net assets as of the measurement date, as determined by the Organization. The NAV is used as a practical expedient to estimating fair value. In determining fair value of the underlying funds' net assets, the Organization utilizes valuations provided by the underlying investment funds. The underlying investment funds value securities and other financial instruments on a fair value basis of accounting.

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NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Investment Partnerships (Continued):

The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective alternative investment fund and may not reflect amounts that could be realized upon immediate sale, or amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets and liabilities measured at fair value on a recurring basis as of June 30:

	Assets at Fair Value at June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual Funds:				
Bond Funds	\$ 2,241,943	\$ -	\$ -	\$ 2,241,943
Total Mutual Funds	<u>\$ 2,241,943</u>	<u>\$ -</u>	<u>\$ -</u>	2,241,943
Investments Measured at NAV (a)				91,825,671
Total Assets				<u>\$ 94,067,614</u>
Liabilities				
457(b) Plan Liability	<u>\$ -</u>	<u>\$ 1,604,631</u>	<u>\$ -</u>	<u>\$ 1,604,631</u>
	Assets at Fair Value at June 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual Funds:				
Bond Funds	\$ 2,195,087	\$ -	\$ -	\$ 2,195,087
Total Mutual Funds	<u>\$ 2,195,087</u>	<u>\$ -</u>	<u>\$ -</u>	2,195,087
Investments Measured at NAV (a)				70,943,005
Total Assets				<u>\$ 73,138,092</u>
Liabilities				
457(b) Plan Liability	<u>\$ -</u>	<u>\$ 1,264,274</u>	<u>\$ -</u>	<u>\$ 1,264,274</u>

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NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

(a) In accordance with ASU 2015-07, Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Organization's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no significant transfers among levels 1, 2, and 3 during the year.

The following tables set forth a summary of the fair value of investments in certain entities that calculate net asset value per share (or its equivalent):

Investments	Assets at Fair Value at June 30, 2021			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled Separate Accounts:				
Equity Funds (a)	\$ 1,424,008	\$ -	Immediate	None
Bond Funds (b)	191,825	-	Immediate	None
Real Estate Funds (c)	58,096	-	One per calendar quarter	None
Mutual Funds:				
TIFF Multi-Asset Fund (d)	45,120,906	-	Immediate	Up to 7 days
Investment Partnerships:				
TIFF Keystone Fund, L.P. (e)	45,100,134	-	Quarterly	180 days
Total	<u>\$ 91,894,969</u>			

Investments	Assets at Fair Value at June 30, 2020			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled Separate Accounts:				
Equity Funds (a)	\$ 862,008	\$ -	Immediate	None
Bond Funds (b)	351,471	-	Immediate	None
Real Estate Funds (c)	50,794	-	One per calendar quarter	None
Mutual Funds:				
TIFF Multi-Asset Fund (d)	35,853,288	-	Immediate	Up to 7 days
Investment Partnerships:				
TIFF Keystone Fund, L.P. (e)	33,825,443	-	Quarterly	180 days
Total	<u>\$ 70,943,004</u>			

Investments in this category seek a favorable long-term rate of return through capital appreciation and investment income by investing primarily in a broadly diversified portfolio of foreign and domestic common stock.

(a) Investments in this category seek high current income consistent with maintaining liquidity and preserving capital.

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NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

- (b) Investments in this category seek favorable long-term returns primarily through rental income and appreciation of real estate investments.
- (c) The fund seeks to achieve a total return that, over a majority of market cycles, exceeds the Consumer Price Index plus 5% per annum by employing a globally diversified portfolio. The fund rebalances segment weights in a manner designed to exploit capital markets' mean-reverting tendencies to the maximum extent in light of trading costs.
- (d) The fund's investment objective is to maximize annualized returns net of all costs over rolling 10-year periods while adhering to the Funds' risk parameters. The Fund expects to invest globally in multiple asset classes and in both publicly traded and privately placed securities, properties, and other assets, either directly or through investment funds, including private equity funds, private realty funds, natural resources funds, and hedge funds.

NOTE 6 PROPERTY

Property, net, consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Leasehold Improvements	\$ 4,948,798	\$ 4,940,678
Less: Accumulated Amortization	<u>(4,640,420)</u>	<u>(4,551,663)</u>
Total	<u>\$ 308,378</u>	<u>\$ 389,015</u>

NOTE 7 FURNITURE AND EQUIPMENT

Furniture and equipment, net, consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Computer Equipment	\$ 2,363,148	\$ 2,035,948
Computer Software	7,766,113	7,678,016
Office Furniture	2,597,394	2,597,394
Office Equipment	<u>508,803</u>	<u>505,097</u>
Total	13,235,458	12,816,455
Less: Accumulated Depreciation	<u>(10,573,259)</u>	<u>(9,306,226)</u>
Total Furniture and Equipment	<u>\$ 2,662,199</u>	<u>\$ 3,510,229</u>

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 was \$1,546,960 and \$1,742,376, respectively. Furniture and equipment includes computer software of approximately \$753,000 and \$493,000 at June 30, 2021 and 2020, respectively, which had not yet been placed in service.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$200,000 and \$118,533 at June 30, 2021 and 2020, respectively, are available for specific program and project expenses.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Building Lease

The Organization is party to a lease for office space in Philadelphia, Pennsylvania. The lease expires in January 2032 and contains options to extend the lease for three consecutive five-year renewal terms ending in January 2047. Approximate future minimum rental payments are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 2,441,054
2023	2,712,633
2024	2,760,838
2025	2,809,042
2026	2,892,829
Thereafter	81,512,696
Total	<u>\$ 95,129,092</u>

The lease contains scheduled rent increases. Deferred rent includes the accumulated straight-line rent expense calculated in accordance with accounting principles generally accepted in the United States of America in excess of actual cash payments. Rent expense for this lease was approximately \$3,389,000 in 2021 and \$3,392,000 in 2020.

Equipment Leases

The Organization leases copy center and other office equipment under various operating lease agreements. The leases expire at various times through June 2024. Approximate future minimum annual rental payments required under these leases are \$213,000.

Rent expense for these leases was approximately \$370,000 and \$347,000 in 2021 and 2020, respectively.

Deferred Compensation and Employment Contract

The Organization entered into a new employment agreement with a current key employee effective July 1, 2018. The former agreement expired June 30, 2018. The full term of the new agreement expires June 30, 2022. By providing one-year notice in advance, key employee may opt to terminate the agreement effective June 30, 2020 at their discretion. The terms of the agreement require the Organization to pay a base salary of at least \$688,000 per year. The key employee is also eligible for an annual incentive bonus based on performance as determined and approved by the board of directors.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Deferred Compensation and Employment Contract (Continued)

The Organization paid the key employee the deferred compensation liability established under the former agreement subsequent to June 30, 2018. The deferred compensation liability includes approximately \$286,000 and \$289,000 at June 30, 2021 and 2020, respectively, attributable to the provisions included in the employment contract with the employee. In accordance with the employee's new agreement, an unfunded deferred compensation account will be established on behalf of the employee and the Organization is required to credit the account based upon prescribed calculations included in the agreement.

The Organization has an unfunded deferred compensation plan for certain employees. The plan allows the group of employees to defer compensation on a tax-free basis up to statutory maximum limits. The Organization purchased participant directed investments related to the plan in the approximate amount of \$105,000 and \$63,000 during the years ended June 30, 2021 and 2020, respectively. The plan made distributions of approximately \$75,000 and \$-0- to employees during the years ended June 30, 2021 and 2020, respectively. Deferred compensation liability includes approximately \$1,605,000 and \$1,264,000 at June 30, 2021 and 2020, respectively, attributable to the plan.

Pension Plan

The Organization makes contributions, on behalf of all employees who meet certain eligibility requirements, to employees' pension retirement accounts established under Section 403(b) of the IRC. The Organization contributes amounts equal to a percentage of participants' eligible salaries. Pension expense, including administrative fees, was approximately \$2,809,000 in 2021 and \$2,484,000 in 2020.

Litigation

The Organization is involved in various litigation matters deemed to be incidental to the conduct of its operations. In addition, from time to time the Organization determines that certain physicians may not be qualified for certification. The Organization has an internal appeal process through which such physicians may seek review of such determinations. In certain instances, physicians pursuing internal appeals of adverse certification determinations have threatened to bring legal action against the Organization. Although the ultimate outcome of these matters is often unknown, management is of the opinion that any liability that might ensue would not materially affect the Organization's financial position or the results of its activities.

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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NOTE 10 FUNCTIONAL EXPENSES

The cost of providing program and supporting services are summarized on a functional basis for the years ended June 30 as follows:

	2021			2020		
	Total Program Services	Management and Administrative	Total	Total Program Services	Management and Administrative	Total
Salaries	\$ 18,575,013	\$ 5,497,753	\$ 24,072,766	\$ 19,044,520	\$ 4,544,630	\$ 23,589,150
Payroll Taxes and Fringe Benefits	5,194,809	1,558,447	6,753,256	5,400,243	1,304,717	6,704,960
Legal Fees	604,121	192,403	796,524	748,682	189,794	938,476
Professional Fees	46,702	13,407	60,109	43,896	10,382	54,278
Consulting Fees	2,883,097	921,988	3,805,085	3,284,797	848,762	4,133,559
Committee Meetings	525,096	90,572	615,668	855,144	90,957	946,101
Occupancy	2,654,646	816,612	3,471,258	2,770,903	689,770	3,460,673
Office Expenses	393,491	125,835	519,326	199,788	51,440	251,228
Office Supplies	49,595	15,509	65,104	78,237	19,770	98,007
Printing	323,648	103,500	427,148	314,892	81,401	396,293
Equipment Lease and Maintenance	180,520	57,728	238,248	195,211	50,463	245,674
Telephone	107,894	34,503	142,397	103,869	26,851	130,720
Insurance	535,817	166,045	701,862	395,555	97,780	493,335
Program Expenses	14,557,094	-	14,557,094	12,367,475	-	12,367,475
Project Expenses	154,109	49,283	203,392	407,914	105,447	513,361
Temporary Staffing	-	-	-	150,543	38,916	189,459
Staffing Travel Expense	25,903	8,284	34,187	71,017	18,358	89,375
Other Staffing Expense	186,618	58,503	245,121	327,987	75,411	403,398
Depreciation and Amortization	1,172,125	374,835	1,546,960	1,384,482	357,894	1,742,376
Miscellaneous	184,676	58,004	242,680	309,597	78,990	388,587
Total	<u>\$ 48,354,974</u>	<u>\$ 10,143,211</u>	<u>\$ 58,498,185</u>	<u>\$ 48,454,752</u>	<u>\$ 8,681,733</u>	<u>\$ 57,136,485</u>

Certain categories of expense are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort. Program expenses are allocated based on actual.

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(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	<u>Foundation</u>	<u>ABIM</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 2,127,074	\$ 73,478,354	\$ -	\$ 75,605,428
Accounts Receivable, Net	23,724	202,339	-	226,063
Grants Receivable	-	70,114	(70,114)	-
Due (To) from Affiliate	(61,794)	61,794	-	-
Investments, at Fair Value	90,221,040	2,241,943	-	92,462,983
Investments, at Fair Value, Deferred Compensation Plan	-	1,673,929	-	1,673,929
Prepaid Expenses	119,389	1,718,875	-	1,838,264
Property, Net	-	308,378	-	308,378
Furniture and Equipment, Net	-	2,662,199	-	2,662,199
Total Assets	<u>\$ 92,429,433</u>	<u>\$ 82,417,925</u>	<u>\$ (70,114)</u>	<u>\$ 174,777,244</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
LIABILITIES				
Accounts and Grants Payable and Accrued Expenses	\$ 367,675	\$ 1,000,818	\$ (70,114)	\$ 1,298,379
Accrued Compensation	363,979	5,123,867	-	5,487,846
Deferred Revenue:				
Certifying Examinations	-	37,193,180	-	37,193,180
Maintenance of Certification	-	46,809,866	-	46,809,866
Deferred Compensation	-	1,604,631	-	1,604,631
Deferred Rents	-	10,772,799	-	10,772,799
Total Liabilities	731,654	102,505,161	(70,114)	103,166,701
NET ASSETS (DEFICIT)				
Without Donor Restrictions	91,497,779	(20,157,350)	70,114	71,410,543
With Donor Restrictions	200,000	70,114	(70,114)	200,000
Total Net Assets (Deficit)	<u>91,697,779</u>	<u>(20,087,236)</u>	<u>-</u>	<u>71,610,543</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 92,429,433</u>	<u>\$ 82,417,925</u>	<u>\$ (70,114)</u>	<u>\$ 174,777,244</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	<u>Foundation</u>	<u>ABIM</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 2,080,735	\$ 63,753,785	\$ -	\$ 65,834,520
Accounts Receivable, Net	5,750	94,582	-	100,332
Grants Receivable	118,533	70,546	(70,546)	118,533
Due (To) from Affiliate	(63,967)	63,967	-	-
Investments, at Fair Value	69,678,731	2,195,087	-	71,873,818
Investments, at Fair Value, Deferred Compensation Plan	-	1,264,273	-	1,264,273
Prepaid Expenses	70,841	2,173,618	-	2,244,459
Property, Net	-	389,015	-	389,015
Furniture and Equipment, Net	-	3,510,229	-	3,510,229
Total Assets	<u>\$ 71,890,623</u>	<u>\$ 73,515,102</u>	<u>\$ (70,546)</u>	<u>\$ 145,335,179</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
LIABILITIES				
Accounts and Grants Payable and Accrued Expenses	\$ 419,450	\$ 814,617	\$ (70,546)	\$ 1,163,521
Accrued Compensation	379,823	5,213,789	-	5,593,612
Deferred Revenue:				
Certifying Examinations	-	34,900,630	-	34,900,630
Maintenance of Certification	-	51,332,130	-	51,332,130
Deferred Compensation	-	1,264,274	-	1,264,274
Deferred Rents	-	9,872,352	-	9,872,352
Total Liabilities	799,273	103,397,792	(70,546)	104,126,519
NET ASSETS (DEFICIT)				
Without Donor Restrictions	70,972,817	(29,953,235)	70,545	41,090,127
With Donor Restrictions	118,533	70,545	(70,545)	118,533
Total Net Assets (Deficit)	<u>71,091,350</u>	<u>(29,882,690)</u>	<u>-</u>	<u>41,208,660</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 71,890,623</u>	<u>\$ 73,515,102</u>	<u>\$ (70,546)</u>	<u>\$ 145,335,179</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
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	<u>Foundation</u>	<u>ABIM</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues and Gains:				
Certification Exams:				
Internal Medicine	\$ -	\$ 14,152,387	\$ -	\$ 14,152,387
Subspecialties and Other	-	17,316,835	-	17,316,835
Credit Card Fees	-	(707,281)	-	(707,281)
Total Certification Exams	<u>-</u>	<u>30,761,941</u>	<u>-</u>	<u>30,761,941</u>
Maintenance of Certification Program:				
Examination	-	13,226,756	-	13,226,756
Program Fee	-	21,103,883	-	21,103,883
Credit Card Fees	-	(772,386)	-	(772,386)
Total Maintenance of Certification Program	<u>-</u>	<u>33,558,253</u>	<u>-</u>	<u>33,558,253</u>
Other Revenue:				
Investment Income, Net	23,353,132	85,162	-	23,438,294
Other Income	26,024	876,104	-	902,128
Total Other Revenue	<u>23,379,156</u>	<u>961,266</u>	<u>-</u>	<u>24,340,422</u>
Total Revenues and Gains	23,379,156	65,281,460	-	88,660,616
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	<u>157,985</u>	<u>431</u>	<u>(431)</u>	<u>157,985</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	23,537,141	65,281,891	(431)	88,818,601
OPERATING EXPENSES				
Operating Expenses	<u>3,012,179</u>	<u>55,486,006</u>	<u>-</u>	<u>58,498,185</u>
Total Operating Expenses	<u>3,012,179</u>	<u>55,486,006</u>	<u>-</u>	<u>58,498,185</u>
Change in Net Assets (Deficit) Without Donor Restrictions	20,524,962	9,795,885	(431)	30,320,416
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Grant Revenue	239,452	-	-	239,452
Net Assets Released from Restrictions	<u>(157,985)</u>	<u>(431)</u>	<u>431</u>	<u>(157,985)</u>
Change in Net Assets (Deficit) With Donor Restrictions	<u>81,467</u>	<u>(431)</u>	<u>431</u>	<u>81,467</u>
CHANGE IN NET ASSETS	20,606,429	9,795,454	-	30,401,883
Net Assets (Deficit) - Beginning of Year	<u>71,091,350</u>	<u>(29,882,690)</u>	<u>-</u>	<u>41,208,660</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 91,697,779</u>	<u>\$ (20,087,236)</u>	<u>\$ -</u>	<u>\$ 71,610,543</u>

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YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Foundation</u>	<u>ABIM</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenues and Gains				
Certification Exams:				
Internal Medicine	\$ -	\$ 16,608,068	\$ -	\$ 16,608,068
Subspecialties and Other	-	17,336,619	-	17,336,619
Credit Card Fees	-	(759,895)	-	(759,895)
Total Certification Exams	<u>-</u>	<u>33,184,792</u>	<u>-</u>	<u>33,184,792</u>
Maintenance of Certification Program:				
Examination	-	11,771,107	-	11,771,107
Program Fee	-	18,475,431	-	18,475,431
Credit Card Fees	-	(667,805)	-	(667,805)
Total Maintenance of Certification Program	<u>-</u>	<u>29,578,733</u>	<u>-</u>	<u>29,578,733</u>
Other Revenue:				
Investment Income, Net	4,082,354	342,966	-	4,425,320
Other Income	46,836	1,150,545	66,255	1,263,636
Total Other Revenue	<u>4,129,190</u>	<u>1,493,511</u>	<u>66,255</u>	<u>5,688,956</u>
Total Revenues and Gains	4,129,190	64,257,036	66,255	68,452,481
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	<u>164,049</u>	<u>37,631</u>	<u>(482)</u>	<u>201,198</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	4,293,239	64,294,667	65,773	68,653,679
OPERATING EXPENSES				
Operating Expenses	3,022,696	54,047,534	66,255	57,136,485
Total Operating Expenses	<u>3,022,696</u>	<u>54,047,534</u>	<u>66,255</u>	<u>57,136,485</u>
Change in Net Assets (Deficit) Without Donor Restrictions	1,270,543	10,247,133	(482)	11,517,194
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Grant Revenue	16,084	37,149	-	53,233
Net Assets Released from Restrictions	<u>(164,049)</u>	<u>(37,631)</u>	<u>482</u>	<u>(201,198)</u>
Change in Net Assets (Deficit) With Donor Restrictions	<u>(147,965)</u>	<u>(482)</u>	<u>482</u>	<u>(147,965)</u>
CHANGE IN NET ASSETS	1,122,578	10,246,651	-	11,369,229
Net Assets (Deficit) - Beginning of Year	<u>69,968,772</u>	<u>(40,129,341)</u>	<u>-</u>	<u>29,839,431</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 71,091,350</u>	<u>\$ (29,882,690)</u>	<u>\$ -</u>	<u>\$ 41,208,660</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
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SCHEDULE OF ABIM CHANGES IN NET ASSETS (DEFICIT)
WITHOUT DONOR RESTRICTIONS FROM OPERATIONS
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>Total ABIM</u>	<u>Certification</u>	<u>Maintenance of Certification</u>	<u>Other</u>
Revenues and Gains				
Certification Exams:				
Internal Medicine	\$ 14,152,387	\$ 14,152,387	\$ -	\$ -
Subspecialties and Other	17,316,835	17,316,835	-	-
Credit Card Fees	(707,281)	(707,281)	-	-
Total Certification Exams	<u>30,761,941</u>	<u>30,761,941</u>	-	-
Maintenance of Certification Program:				
Examination	13,226,756	-	13,226,756	-
Program Fee	21,103,883	-	21,103,883	-
Credit Card Fees	(772,386)	-	(772,386)	-
Total Maintenance of Certification Program	<u>33,558,253</u>	-	<u>33,558,253</u>	-
Other Revenue:				
Investment Income, Net	85,162	-	-	85,162
Other Income	876,104	-	-	876,104
Total Other Revenue	<u>961,266</u>	-	-	<u>961,266</u>
Total Revenues and Gains	65,281,460	30,761,941	33,558,253	961,266
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	<u>431</u>	-	-	<u>431</u>
Total Revenues, Gains and Other Support Without Donor Restrictions	65,281,891	30,761,941	33,558,253	961,697
OPERATING EXPENSES				
Staff Expenses	29,397,212	-	-	29,397,212
Non Staff Expenses	26,088,794	7,520,943	6,103,577	12,464,274
Subtotal	<u>55,486,006</u>	<u>7,520,943</u>	<u>6,103,577</u>	<u>41,861,486</u>
Allocation to Program Services	-	11,129,426	20,588,443	(31,717,869)
Total Operating Expenses	<u>55,486,006</u>	<u>18,650,369</u>	<u>26,692,020</u>	<u>10,143,617</u>
Changes in Net Assets (Deficit) Without Donor Restrictions from Operations	<u>\$ 9,795,885</u>	<u>\$ 12,111,572</u>	<u>\$ 6,866,233</u>	<u>\$ (9,181,920)</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF ADMINISTRATIVE, PROGRAM, AND PROJECT EXPENSES
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>ABIM</u>	<u>Foundation</u>	<u>Consolidated</u>
ADMINISTRATIVE EXPENSES			
Board of Directors, Including all Committee Activities	\$ 373,796	\$ 241,873	\$ 615,669
Insurance	685,274	16,588	701,862
Legal Services, General	794,055	2,470	796,525
Accounting Services	55,331	4,778	60,109
Payroll Services	44,971	-	44,971
Contributions and Tributes	25,000	-	25,000
Consulting, Other	2,851,304	-	2,851,304
Publications and Subscriptions	80,718	-	80,718
Computer Services	908,811	-	908,811
Other	133,666	-	133,666
Total Administrative Expenses	<u>5,952,926</u>	<u>265,709</u>	<u>6,218,635</u>
PROGRAM AND PROJECT EXPENSES	<u>203,392</u>	<u>932,574</u>	<u>1,135,966</u>
Total	<u>\$ 6,156,318</u>	<u>\$ 1,198,283</u>	<u>\$ 7,354,601</u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF STAFF EXPENSES
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>ABIM</u>	<u>Foundation</u>	<u>Consolidated</u>
SALARIES			
Regular	\$ 22,632,428	\$ 1,383,289	\$ 24,015,717
Overtime	26,419	-	26,419
Voluntary Retirement Program Payment	30,630	-	30,630
Total Salaries	<u>22,689,477</u>	<u>1,383,289</u>	<u>24,072,766</u>
BENEFITS			
Payroll Taxes	1,561,675	72,385	1,634,060
Insurance	2,296,904	103,738	2,400,642
Pension	2,861,444	141,220	3,002,664
Tuition Reimbursement	-	4,131	4,131
Parking	48,823	-	48,823
Benefit Allocation	(337,064)	-	(337,064)
Total Benefits	<u>6,431,782</u>	<u>321,474</u>	<u>6,753,256</u>
OTHER STAFF EXPENSES			
Recruiting and Employment Agency Fees	50,588	-	50,588
Meals and Lodging	34,187	3,294	37,481
Education	38,697	-	38,697
Other	152,481	382	152,863
Total Other Staff Expenses	<u>275,953</u>	<u>3,676</u>	<u>279,629</u>
Total	<u><u>\$ 29,397,212</u></u>	<u><u>\$ 1,708,439</u></u>	<u><u>\$ 31,105,651</u></u>

**THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF OFFICE EXPENSES
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

OFFICE EXPENSES	<u>ABIM</u>	<u>Foundation</u>	<u>Consolidated</u>
Rent	\$ 3,323,763	\$ 91,645	\$ 3,415,408
Office Maintenance	4,283	-	4,283
Office Equipment	233,965	-	233,965
Office Supplies	64,005	1,072	65,077
Duplicating	192,590	-	192,590
Telephone	142,397	-	142,397
Intranet/On-Line Services	310,580	-	310,580
Stationery and Printing	234,558	-	234,558
Courier/Mailings	22,764	27	22,791
Cleaning	122,627	-	122,627
Depreciation and Amortization	1,546,960	-	1,546,960
Electricity	46,433	9,417	55,850
Other Expenses	62,816	3,296	66,112
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 6,307,741</u>	<u>\$ 105,457</u>	<u>\$ 6,413,198</u>

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