



## About ABIM and ABIM Foundation’s Consolidated Financial Statement

The American Board of Internal Medicine (ABIM) and ABIM Foundation are dedicated to demonstrating their commitment to transparency by voluntarily posting their audited financial statements. This annual activity is a reflection of our commitment to an ongoing, open dialogue with the internal medicine community.

This explanation provides additional information about the most recent [Consolidated Financial Statement](#) (year ending June 30, 2016), which ABIM and ABIM Foundation post annually on their websites.

Though ABIM and ABIM Foundation are separate legal entities, the financial statements are reported together in a Consolidated Financial Statement. Because the Foundation is considered a support organization of ABIM, Generally Accepted Accounting Principles require that a Consolidated Financial Statement be issued.

The Consolidated Financial Statement reveals that ABIM and ABIM Foundation have net assets of more than \$13.6M as of June 30, 2016. The combined entities’ cash balance covers more than seven months of operating costs; its current assets are two times current liabilities; and cash and receivables exceed 40% of total liabilities.

For the year ending June 30, 2016, net assets decreased from \$26.6M to \$13.6M. The \$13M decrease in net assets is attributable to strategic infrastructure investment in anticipation of the launch of a new Maintenance of Certification (MOC) assessment in 2018 and an unrealized decrease in investment balance as a result of poor overall market performance for the twelve months ending June 30, 2016.<sup>1</sup>

ABIM and ABIM Foundation made the decision to change independent auditors effective with the 2016 audit. The decision was based upon the Audit Committee’s recommendation to follow “good governance” practice as it relates to suggested [rotation](#) of independent auditing firms. Neither auditor has identified any issues with ABIM and ABIM Foundation’s Consolidated Financial Statements (see next page).

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<sup>1</sup> A survey by the Commonfund Institute and the Council on Foundations found that participating community foundations reported an average return of -1.8 percent from Jan. 1 – Dec. 31, 2015. For comparison, ABIM Foundation’s return was -.76 percent during the same time period. (Foundation Investment Returns Down in 2015, *Philanthropy News Digest*. 24 Aug. 2016.)



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### **Audit Opinion**

As has been the case in all prior years, the 2016 audit opinion from ABIM’s independent audit firm, Clifton Larson Allen, is an “unmodified” audit opinion. This means that the audit evidence obtained by Clifton Larson Allen gathered while performing the 2016 audit is deemed sufficient and appropriate to provide the opinion that, without reservation, the Consolidated Financial Statement presents fairly the financial position of ABIM and ABIM Foundation as of June 30, 2016, in accordance with Generally Accepted Accounting Principles.

### **Additional Financial Information**

[ABIM’s 990](#) is available on its website. The [ABIM Foundation has a separate 990](#) on its website.