THE AMERICAN BOARD OF INTERNAL MEDICINE AND AFFILIATED FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

CliftonLarsonAllen LLP

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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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, 2018 and 2017, 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.

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, 2018 and 2017, 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

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 2, 2018

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
ASSETS		
Cash and Cash Equivalents	$ 47,062,893	$ 39,603,047
Accounts Receivable, Net	536,941	878,804
Grants Receivable	507,431	1,164,045
Investments, at Fair Value	71,797,187	72,973,221
Investments, at Fair Value, Deferred Compensation Plan	838,915	684,150
Prepaid Expenses	1,388,551	1,227,652
Property, Net	578,059	863,669
Furniture and Equipment, Net	6,017,483	4,627,383
Total Assets	$ 128,727,460	$ 122,021,971
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts and Grants Payable and Accrued Expenses	$ 3,741,692	$ 3,919,831
Accrued Compensation	3,955,887	3,845,839
Deferred Revenue:		
Certifying Examinations	33,282,505	31,327,118
Maintenance of Certification	56,096,515	54,329,295
Deferred Compensation	1,514,413	1,143,643
Deferred Rents	8,727,696	8,245,642
Total Liabilities	107,318,708	102,811,368
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	20,901,321	18,046,559
Temporarily Restricted	507,431	1,164,044
Total Net Assets	21,408,752	19,210,603
Total Liabilities and Net Assets	$ 128,727,460	$ 122,021,971

See accompanying Notes to Consolidated Financial Statements.

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues and Gains		
Certification Exams:		
Internal Medicine	$ 14,479,945	$ 14,051,374
Subspecialties and Other	15,816,858	16,670,434
Credit Card Fees	(653,718)	(636,093)
Total Certification Exams	29,643,085	30,085,715
Maintenance of Certification Program:		
Examination	6,592,898	4,807,925
Program Fee	17,748,740	20,350,575
Credit Card Fees	(525,223)	(520,905)
Total Maintenance of Certification Program	23,816,415	24,637,595
Other Revenue:		
Investment Income, Net	6,045,455	8,177,400
Other Income	671,330	632,953
Total Other Revenue	6,716,785	8,810,353
Total Unrestricted Revenues and Gains	60,176,285	63,533,663
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	1,373,620	1,266,200
Total Unrestricted Revenues, Gains, and Other Support	61,549,905	64,799,863
OPERATING EXPENSES		
Operating Expenses	58,698,911	58,016,982
Gain on Disposal and Abandonment of Furniture and Equipment	(3,768)	(6,660)
Total Operating Expenses	58,695,143	58,010,322
Change in Unrestricted Net Assets	2,854,762	6,789,541
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grant Revenue	717,007	60,867
Net Assets Released from Restrictions	(1,373,620)	(1,266,200)
Change in Temporarily Restricted Net Assets	(656,613)	(1,205,333)
CHANGE IN NET ASSETS	2,198,149	5,584,208
Net Assets - Beginning of Fiscal Year	19,210,603	13,626,395
NET ASSETS - END OF FISCAL YEAR	$ 21,408,752	$ 19,210,603

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, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,198,149	$ 5,584,208
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Reinvested Dividends	(3,028,793)	(3,091,942)
Unrealized (Gain) Loss on Investments, Net	568,885	(4,570,361)
Realized Loss on Sale of Investments, Net	(3,312,792)	56,483
Gain on Abandonment and Disposal of Furniture and Equipment	(3,768)	(6,660)
Depreciation and Amortization	1,696,452	1,588,519
Deferred Compensation Expense	216,005	283,525
Deferred Rents	482,054	532,775
Change in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	341,863	(120,883)
Grants Receivable	656,614	1,205,333
Prepaid Expenses	(160,899)	51,987
Increase (Decrease) in:		
Accounts and Grants Payable and Accrued Expenses	(144,729)	(1,089,548)
Accrued Compensation	110,048	(1,081,948)
Deferred Revenue	3,722,607	(2,275,049)
Net Cash Provided (Used) by Operating Activities	3,341,696	(2,933,561)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale and Maturities of Investments	7,068,357	6,818,061
Purchases of Investments	(119,623)	(394,525)
Proceeds from Sale of Property, Furniture, and Equipment	3,768	-
Purchases of Property, Furniture and Equipment	(2,834,352)	(3,737,967)
Net Cash Provided by Investing Activities	4,118,150	2,685,569
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,459,846	(247,992)
Cash and Cash Equivalents - Beginning of Fiscal Year	39,603,047	39,851,039
CASH AND CASH EQUIVALENTS - END OF FISCAL YEAR	$ 47,062,893	$ 39,603,047

See accompanying Notes to Consolidated Financial Statements.

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 not-for-profit 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 to either the allowance account when required or directly to bad debts expense. At June 30, 2018 and 2017, 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. Interest 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 three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets – Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Classification (Continued)

Temporarily Restricted Net Assets – Temporarily restricted net assets result from grants whose use is 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 temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Permanently Restricted Net Assets – Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor are otherwise removed by the Organization's actions. The Organization does not have any permanently restricted contributions.

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 two, five, and ten years. Diplomates choose to pay an all-inclusive bundled MOC fee annually or to prepay for ten 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 payment, 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 ten years is recognized straight-line through December 31 of the tenth 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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 ten 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. For example, revenue from an annual program fee payment paid by a diplomate on January 1, 2018 would be realized on a straight-line basis over the next 12 months ending on December 31, 2018. The same revenue recognition procedure would apply if a diplomate paid the program fee for 10 years. The revenue would be realized on a straight-line basis over 120 months. Deferred Revenue Program Fee includes $26,260,000 and $35,941,000 as of June 30, 2018 and 2017, 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 $29,837,000 and $18,388,000 as of June 30, 2018 and 2017, respectively. The deferred revenue will be recognized as assessment revenue when the assessment is administered.

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 unrestricted 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 temporarily restricted support that increases that net asset class. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets 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 temporarily restricted support with the associated amount reported as net assets released from restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Income

Other income consists primarily of other exam related service fees like shared exam data, and candidate exam analysis and rescoring. These 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

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the entity for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019. Management is evaluating the effect of the amended revenue recognition guidance on the entity's financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated its subsequent events through October 2, 2018, 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, 2018.

NOTE 2 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. 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.

NOTE 3 INVESTMENTS

The investment portfolio consists of the following at June 30:

	2018	
Description	Fair Value	Cost
Mutual Funds		
Short Term Corporate Bond Fund	$ 1,982,869	$ 1,986,652
TIFF Multi-Asset Fund	35,867,236	36,562,455
Other	460,839	434,592
Investment Partnerships		
TIFF Keystone Fund, L.P.	33,486,243	33,967,970
	71,797,187	72,951,669
Money Market Funds	12,928,687	12,928,687
	84,725,874	85,880,356
Less: Money Market Funds Reported as Cash	12,928,687	12,928,687
	$ 71,797,187	$ 72,951,669

NOTE 3 INVESTMENTS (CONTINUED)

	2017	
Description	Fair Value	Cost
Mutual Funds		
Short Term Corporate Bond Fund	$ 1,978,434	$ 1,980,283
TIFF Multi-Asset Fund	34,829,998	34,638,640
Other	380,910	360,662
Investment Partnerships		
TIFF Keystone Fund, L.P.	35,783,879	35,987,580
	72,973,221	72,967,165
Money Market Funds	12,425,044	12,425,044
	85,398,265	85,392,209
Less: Money Market Funds Reported as Cash	12,425,044	12,425,044
	$ 72,973,221	$ 72,967,165

Investment income, net, includes the following:

	2018	2017
Realized Gain (Loss) on Sale of Investments, Net	$ 3,312,792	$ (56,483)
Unrealized Gain (Loss) on Investments, Net	(568,885)	4,570,361
Interest and Dividends	3,301,548	3,663,522
	$ 6,045,455	$ 8,177,400

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

	2018	2017
Balance - Beginning	$ 684,150	$ 733,757
Employee Deferrals	54,220	52,843
Employee Withdrawals	-	(214,726)
Increase in Fair Value	100,545	112,276
Balance - Ending	$ 838,915	$ 684,150

NOTE 4 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).

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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, 2018.

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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. 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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2018 and 2017:

	Assets at Fair Value at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual Funds:				
Bond Funds	$ 1,982,869	$ -	$ -	$ 1,982,869
Equity Funds	460,839	-	-	460,839
	$ 2,443,708	$ -	$ -	2,443,708
Investments Measured at NAV (a)				70,192,394
				$ 72,636,102
Liabilities				
457(b) Plan Liability	$ -	$ 838,915	$ -	$ 838,915

	Assets at Fair Value at June 30, 2017			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual Funds:				
Bond Funds	$ 1,978,434	$ -	$ -	$ 1,978,434
Equity Funds	380,910	-	-	380,910
	$ 2,359,344	$ -	$ -	2,359,344
Investments Measured at NAV (a)				71,298,027
				$ 73,657,371
Liabilities				
457(b) Plan Liability	$ -	$ 684,150	$ -	$ 684,150

(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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The table below sets forth a summary of changes in the fair value of ABIM's Level 3 assets for the year ended June 30, 2017:

	Fixed Annuity Contracts
Balance - July 1, 2016	$ 43,431
Sales and Settlements	(44,898)
Unrealized Appreciation	1,467
Balance - June 30, 2017	$ -

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, 2018 Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled Separate Accounts					
Equity Funds	(a)	$ 789,554	$ -	Immediate	None
Bond Funds	(b)	8,652	-	Immediate	None
Real Estate Funds	(c)	40,709	-	One per calendar quarter	None
Mutual Funds					
TIFF Multi-Asset Fund	(d)	35,867,236	-	Immediate	Up to 7 days
Investment Partnerships					
TIFF Keystone Fund, L.P.	(e)	33,486,243	-	Quarterly	180 days
		$ 70,192,394			

Investments		Assets at Fair Value at June 30, 2017 Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled Separate Accounts					
Equity Funds	(a)	$ 640,388	$ -	Immediate	None
Bond Funds	(b)	8,567	-	Immediate	None
Real Estate Funds	(c)	35,195	-	One per calendar quarter	None
Mutual Funds					
TIFF Multi-Asset Fund	(d)	34,829,998	-	Immediate	Up to 7 days
Investment Partnerships					
TIFF Keystone Fund, L.P.	(e)	35,783,879	-	Quarterly	180 days
		$ 71,298,027			

(a) 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.

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

(c) Investments in this category seek favorable long-term returns primarily through rental income and appreciation of real estate investments.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

(d) 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.

(e) 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 5 PROPERTY

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

	2018	2017
Leasehold Improvements	$ 4,964,146	$ 4,964,146
Less: Accumulated Amortization	(4,386,087)	(4,100,477)
Total	$ 578,059	$ 863,669

NOTE 6 FURNITURE AND EQUIPMENT

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

	2018	2017
Computer Equipment	$ 2,087,417	$ 2,318,548
Computer Software	7,341,623	5,368,589
Office Furniture	2,593,951	2,592,999
Office Equipment	873,802	865,249
Telephone Equipment	31,865	31,865
Total	12,928,658	11,177,250
Less: Accumulated Depreciation	(6,911,175)	(6,549,867)
Total Furniture and Equipment	$ 6,017,483	$ 4,627,383

Depreciation and amortization expense for the years ended June 30, 2018 and 2017 was $1,696,452 and $1,588,519, respectively. Furniture and equipment includes computer software of approximately $244,000 and $2,313,000 at June 30, 2018 and 2017, respectively, which had not yet been placed in service.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of $507,431 and $1,164,044 at June 30, 2018 and 2017, respectively, are available for specific program and project expenses.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Building Lease

The Organization is party to a lease for office space in Philadelphia, Pennsylvania. The lease expires in October 2025 and contains options to extend the lease for three consecutive five-year renewal terms ending in October 2040. Approximate future minimum rental payments are as follows:

Years Ending June 30,	Amount
2019	$ 2,654,610
2020	2,705,331
2021	2,756,050
2022	2,806,771
2023	2,857,491
Thereafter	63,866,873
Total	$ 77,647,126

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 $3,189,000 in 2018 and $3,186,000 in 2017.

Equipment Leases

The Organization leases copy center and other office equipment under various operating lease agreements. The leases expire at various times through June 2025. Approximate future minimum annual rental payments required under these leases are $236,000.

Rent expense for these leases was approximately $400,000 and $479,000 in 2018 and 2017.

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.

NOTE 8 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 $469,000 and $381,000 at June 30, 2018 and 2017 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 $54,000 and $53,000 during the years ended June 30, 2018 and 2017, respectively, and distributed approximately $-0- and $215,000 to certain employees during the years ended June 30, 2018 and 2017, respectively. Deferred compensation liability includes approximately $839,000 and $684,000 at June 30, 2018 and 2017, 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 Internal Revenue Code. The Organization contributes amounts equal to a percentage of participants' eligible salaries. Pension expense, including administrative fees, was approximately $2,623,000 in 2018 and $2,659,000 in 2017.

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.

NOTE 9 FUNCTIONAL EXPENSES

The cost of providing program and supporting services are summarized on a functional basis as follows:

	2018	2017
Program Services	$ 48,402,727	$ 47,417,548
Supporting Services	10,292,416	10,592,774
	$ 58,695,143	$ 58,010,322

AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Foundation	ABIM	Eliminations	Consolidated
ASSETS				
Cash and Cash Equivalents	$ 2,532,973	$ 44,529,920	$ -	$ 47,062,893
Accounts Receivable, Net	21,952	514,989	-	536,941
Grants Receivable	507,431	162,935	(162,935)	507,431
Due (To) from Affiliate	(2,217)	2,217	-	-
Investments, at Fair Value	69,353,479	2,443,708	-	71,797,187
Investments, at Fair Value, Deferred Compensation Plan	-	838,915	-	838,915
Prepaid Expenses	181,846	1,206,705	-	1,388,551
Property, Net	-	578,059	-	578,059
Furniture and Equipment, Net	-	6,017,483	-	6,017,483
Total Assets	$ 72,595,464	$ 56,294,931	$ (162,935)	$ 128,727,460
LIABILITIES AND NET ASSETS (DEFICIT)				
LIABILITIES				
Accounts and Grants Payable and Accrued Expenses	$ 969,031	$ 2,935,596	$ (162,935)	$ 3,741,692
Accrued Compensation	273,134	3,682,753	-	3,955,887
Deferred Revenue:				
Certifying Examinations	-	33,282,505	-	33,282,505
Maintenance of Certification	-	56,096,515	-	56,096,515
Deferred Compensation	-	1,514,413	-	1,514,413
Deferred Rents	-	8,727,696	-	8,727,696
Total Liabilities	1,242,165	106,239,478	(162,935)	107,318,708
NET ASSETS (DEFICIT)				
Unrestricted	70,845,868	(50,107,481)	162,934	20,901,321
Temporarily Restricted	507,431	162,934	(162,934)	507,431
Total Net Assets (Deficit)	71,353,299	(49,944,547)	-	21,408,752
Total Liabilities and Net Assets (Deficit)	$ 72,595,464	$ 56,294,931	$ (162,935)	$ 128,727,460

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Foundation	ABIM	Eliminations	Consolidated
ASSETS				
Cash and Cash Equivalents	$ 2,577,075	$ 37,025,972	$ -	$ 39,603,047
Accounts Receivable, Net	62,150	816,654	-	878,804
Grants Receivable	1,164,045	232,992	(232,992)	1,164,045
Due (To) from Affiliate	(470,233)	470,233	-	-
Investments, at Fair Value	70,613,877	2,359,344	-	72,973,221
Investments, at Fair Value, Deferred Compensation Plan	-	684,150	-	684,150
Prepaid Expenses	220,320	1,007,332	-	1,227,652
Property, Net	-	863,669	-	863,669
Furniture and Equipment, Net	-	4,627,383	-	4,627,383
Total Assets	$ 74,167,234	$ 48,087,729	$ (232,992)	$ 122,021,971
LIABILITIES AND NET ASSETS (DEFICIT)				
LIABILITIES				
Accounts and Grants Payable and Accrued Expenses	$ 1,731,090	$ 2,421,733	$ (232,992)	$ 3,919,831
Accrued Compensation	286,547	3,559,292	-	3,845,839
Deferred Revenue:				
Certifying Examinations	-	31,327,118	-	31,327,118
Maintenance of Certification	-	54,329,295	-	54,329,295
Deferred Compensation	-	1,143,643	-	1,143,643
Deferred Rents	-	8,245,642	-	8,245,642
Total Liabilities	2,017,637	101,026,723	(232,992)	102,811,368
NET ASSETS (DEFICIT)				
Unrestricted	70,985,553	(53,171,985)	232,991	18,046,559
Temporarily Restricted	1,164,044	232,991	(232,991)	1,164,044
Total Net Assets (Deficit)	72,149,597	(52,938,994)	-	19,210,603
Total Liabilities and Net Assets (Deficit)	$ 74,167,234	$ 48,087,729	$ (232,992)	$ 122,021,971

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Foundation	ABIM	Eliminations	Consolidated
CHANGES IN UNRESTRICTED NET ASSETS				
Revenues and Gains				
Certification Exams:				
Internal Medicine	$ -	$ 14,479,945	$ -	$ 14,479,945
Subspecialties and Other	-	15,816,858	-	15,816,858
Credit Card Fees	-	(653,718)	-	(653,718)
	-	29,643,085	-	29,643,085
Maintenance of Certification Program:				
Examination	-	6,592,898	-	6,592,898
Program Fee	-	17,748,740	-	17,748,740
Credit Card Fees	-	(525,223)	-	(525,223)
	-	23,816,415	-	23,816,415
Other Revenue:				
Investment Income, Net	5,817,258	228,197	-	6,045,455
Other Income	24,909	5,074,722	(4,428,301)	671,330
	5,842,167	5,302,919	(4,428,301)	6,716,785
Total Unrestricted Revenues and Gains	5,842,167	58,762,419	(4,428,301)	60,176,285
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	1,345,850	97,827	(70,057)	1,373,620
Total Unrestricted Revenues, Gains and Other Support	7,188,017	58,860,246	(4,498,358)	61,549,905
OPERATING EXPENSES				
Operating Expenses	7,327,702	55,799,510	(4,428,301)	58,698,911
Gain on Disposal of Furniture and Equipment	-	(3,768)	-	(3,768)
	7,327,702	55,795,742	(4,428,301)	58,695,143
Change in Unrestricted Net Assets (Deficit)	(139,685)	3,064,504	(70,057)	2,854,762
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Grant Revenue	689,237	27,770	-	717,007
Net Assets Released from Restrictions	(1,345,850)	(97,827)	70,057	(1,373,620)
Change in Temporarily Restricted Net Assets (Deficit)	(656,613)	(70,057)	70,057	(656,613)
CHANGE IN NET ASSETS (DEFICIT)	(796,298)	2,994,447	-	2,198,149
Net Assets (Deficit) - Beginning of Year	72,149,597	(52,938,994)	-	19,210,603
NET ASSETS (DEFICIT) - END OF YEAR	$ 71,353,299	$ (49,944,547)	$ -	$ 21,408,752

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT)

	Foundation	ABIM	Eliminations	Consolidated
CHANGES IN UNRESTRICTED NET ASSETS				
Revenues and Gains				
Certification Exams:				
Internal Medicine	$ -	$ 14,051,374	$ -	$ 14,051,374
Subspecialties and Other	-	16,670,434	-	16,670,434
Credit Card Fees	-	(636,093)	-	(636,093)
	-	30,085,715	-	30,085,715
Maintenance of Certification Program:				
Examination	-	4,807,925	-	4,807,925
Program Fee	-	20,350,575	-	20,350,575
Credit Card Fees	-	(520,905)	-	(520,905)
	-	24,637,595	-	24,637,595
Other Revenue:				
Investment Income, Net	8,027,901	149,499	-	8,177,400
Other Income	4,677	4,487,575	(3,859,299)	632,953
	8,032,578	4,637,074	(3,859,299)	8,810,353
Total Unrestricted Revenues and Gains	8,032,578	59,360,384	(3,859,299)	63,533,663
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	1,220,814	311,106	(265,720)	1,266,200
Total Unrestricted Revenues, Gains and Other Support	9,253,392	59,671,490	(4,125,019)	64,799,863
OPERATING EXPENSES				
Operating Expenses	7,093,332	54,788,487	(3,864,837)	58,016,982
Loss on Disposal of Furniture and Equipment	-	(6,660)	-	(6,660)
	7,093,332	54,781,827	(3,864,837)	58,010,322
Change in Unrestricted Net Assets (Deficit)	2,160,060	4,889,663	(260,182)	6,789,541
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Grant Revenue	15,481	50,924	(5,538)	60,867
Net Assets Released from Restrictions	(1,220,814)	(311,106)	265,720	(1,266,200)
Change in Temporarily Restricted Net Assets (Deficit)	(1,205,333)	(260,182)	260,182	(1,205,333)
CHANGE IN NET ASSETS (DEFICIT)	954,727	4,629,481	-	5,584,208
Net Assets (Deficit) - Beginning of Year	71,194,870	(57,568,475)	-	13,626,395
NET ASSETS (DEFICIT) - END OF YEAR	$ 72,149,597	$ (52,938,994)	$ -	$ 19,210,603

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
SCHEDULE OF ABIM CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT) FROM OPERATIONS
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	Total ABIM	Certification	Maintenance of Certification	Other
CHANGES IN UNRESTRICTED NET ASSETS				
Revenues and Gains				
Certification Exams:				
Internal Medicine	$ 14,479,945	$ 14,479,945	$ -	$ -
Subspecialties and Other	15,816,858	15,816,858	-	-
Credit Card Fees	(653,718)	(653,718)	-	-
	29,643,085	29,643,085	-	-
Maintenance of Certification Program:				
Examination	6,592,898	-	6,592,898	-
Program Fee	17,748,740	-	17,748,740	-
Credit Card Fees	(525,223)	-	(525,223)	-
	23,816,415	-	23,816,415	-
Other Revenue:				
Investment Income, Net	228,197	-	-	228,197
Other Income	5,074,722	-	-	5,074,722
	5,302,919	-	-	5,302,919
Total Unrestricted Revenues and Gains	58,762,419	29,643,085	23,816,415	5,302,919
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	97,827	-	-	97,827
Total Unrestricted Revenues, Gains and Other Support	58,860,246	29,643,085	23,816,415	5,400,746
OPERATING EXPENSES				
Staff Expenses	30,434,946	-	-	30,434,946
Non Staff Expenses	25,360,796	8,088,584	3,722,473	13,549,739
	55,795,742	8,088,584	3,722,473	43,984,685
Allocation to Program Services	-	18,682,232	15,010,037	(33,692,269)
	55,795,742	26,770,816	18,732,510	10,292,416
Changes in Unrestricted Net Assets (Deficit) from Operations	$ 3,064,504	$ 2,872,269	$ 5,083,905	$ (4,891,670)

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF ADMINISTRATIVE, PROGRAM, AND PROJECT EXPENSES
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	ABIM	Foundation	Consolidated
ADMINISTRATIVE EXPENSES			
Board of Directors, Including all Committee Activities	$ 636,305	$ 530,620	$ 1,166,925
Insurance	405,288	16,351	421,639
Legal Services, General	524,487	25,829	550,316
Accounting Services	37,339	10,015	47,354
Payroll Services	28,664	-	28,664
Marketing	14,234	-	14,234
Consulting, Other	2,149,949	-	2,149,949
Publications and Subscriptions	95,919	2,232	98,151
Postage	24,989	-	24,989
Printing	2,138	-	2,138
Foundation Activities	26,105	-	26,105
Computer Services	786,247	49	786,296
Other	823	-	823
Total Administrative Expenses	4,732,487	585,096	5,317,583
PROGRAM AND PROJECT EXPENSES	2,546,261	4,858,721	7,404,982
Total	$ 7,278,748	$ 5,443,817	$ 12,722,565

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF STAFF EXPENSES
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	ABIM	Foundation	Consolidated
SALARIES			
Regular	$ 22,434,237	$ 1,374,064	$ 23,808,301
Overtime	76,843	42	76,885
Voluntary Retirement Program Payment	173,781	8,000	181,781
Total Salaries	22,684,861	1,382,106	24,066,967
BENEFITS			
Payroll Taxes	1,675,819	78,806	1,754,625
Insurance	3,023,600	128,440	3,152,040
Pension	2,650,387	147,939	2,798,326
Tuition Reimbursement	31,150	3,789	34,939
Public Transportation Costs	190,930	8,434	199,364
Parking	48,594	840	49,434
Benefit Allocation	(414,351)	-	(414,351)
Total Benefits	7,206,129	368,248	7,574,377
OTHER STAFF EXPENSES			
Recruiting and Employment Agency Fees	53,911	-	53,911
Temporary Help	51,377	-	51,377
Meals and Lodging	164,190	459	164,649
Education	260,033	295	260,328
Other	14,445	10,491	24,936
Total Other Staff Expenses	543,956	11,245	555,201
Total	$ 30,434,946	$ 1,761,599	$ 32,196,545

THE AMERICAN BOARD OF INTERNAL MEDICINE
AND AFFILIATED FOUNDATION
CONSOLIDATING SCHEDULE OF OFFICE EXPENSES
YEAR ENDED JUNE 30, 2018
(SEE INDEPENDENT AUDITORS' REPORT)

	ABIM	Foundation	Consolidated
OFFICE EXPENSES			
Rent	$ 3,088,465	$ 102,594	$ 3,191,059
Office Maintenance	30,864	-	30,864
Office Equipment	177,645	49	177,694
Office Supplies	194,308	767	195,075
Office Meetings	1,861	-	1,861
Duplicating	148,801	-	148,801
Telephone	180,429	-	180,429
Intranet/On-Line Services	133,427	-	133,427
Stationery and Printing	283,829	-	283,829
Courier/Mailings	14,557	1,230	15,787
Cleaning	192,253	-	192,253
Depreciation and Amortization	1,696,452	-	1,696,452
Miscellaneous Services	221	-	221
Payroll Services	54,599	-	54,599
Electricity	45,803	6,698	52,501
Travel	-	1,866	1,866
Other Expenses	31,235	9,086	40,321
Total	$ 6,274,749	$ 122,290	$ 6,397,039

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