

Michigan Radiological Society
Budget & Finance Committee Report
February 4, 2021

Overview

Financial conditions of the MRS continue to be excellent. This is attributed to stable income and significant expense reduction due to the coronavirus eliminating the venue costs of in-person and administrative meetings. These savings will be temporary as the society plans to resume normal activities when the viral threat abates. Growing and maintaining dues and sponsor support need constant promotion and monitoring. Foundation startup costs have been paid and Centennial celebration finances are being planned.

Rounding

For simplification, most of the reported numbers have been rounded up or down to the nearest thousand.

Key Financial Facts

	<u>12-31-20</u>	<u>12-31-19</u>
<u>Cash Position</u>		
Bank	188,000	209,000
Vanguard	80,000	
Total Assets	268,000	209,000
	<u>1-1-20 to 12-31-20</u>	<u>1-1-19 to 12-31-19</u>
Gross Income	223,000	268,000*
Expenses	160,000	190,000*
Net Income	63,000	78,000*

*Variance from 2020 largely due to Up North meeting.

	<u>2020</u>	<u>2019</u>
Dues Received	211,000	201,000

Dues Cycle Receipts

October 2019 - Sept 2020	182,000
October 2018 - Sept 2019	190,000

5 Largest Projected 2021 Expenses per Budget

Admin	57,000
Legislative	48,000
RLI	3,000*
Resident Conference	2,500**
Accounting	2,000

*RLI may be virtual

**Resident conference will be virtual

Comments on the Atypical Budget Related to COVID-19

The virus continues to eliminate in-person meetings and venue costs. Low-cost Zoom meetings have replaced them. Shannon Sage, our manager, has successfully negotiated elimination of hotel venue cancellation penalties for 2020 with Marriott. The largest single event savings was the approximate \$30,000 AMCLC cost. A Zoom meeting replaced the in-person Washington DC event. Delegate travel costs were eliminated. The meeting funds that were not spent in 2020 are anticipated to be spent in late 2021 when normal meetings resume. They also provide the organization with a larger backup reserve fund to address future revenue shortfalls.

Our fall 2020 breast meeting, which usually produces \$5-10,000 was cancelled. Our fall 2021 Up North meeting has been replaced with the Centennial.

2021-21 Achievements

Pre-approval for expenses over \$2,500 – The board authorized the budget committee to evaluate the society's ability to fund initiatives costing more than \$2,500 prior to submitting a request for board approval. The prior limit was \$1,000. This reduces the possibility of board approval of sizable impromptu proposals directly from the floor at a general board meeting without prior vetting.

Venue COVID-19 related meeting cancellations without financial penalty to the MRS.

Foundation startup costs funded.

Sponsor support sought and obtained for meetings. Special recognition to the resident section fundraiser, Lauren Corley.

Vanguard money market account opened with \$80,000 transfer from bank funds to obtain improved interest yield.

Board approval granted to invest \$10,000 of the Vanguard account into a non-aggressive stock market fund to attempt to obtain an increased return on our funds. Our accountant assures us that our 501(c)(6) organization can legally do this.

No resident conference registration fee in 2021 since the meeting is virtual.

Goals/Plans

Marketing – Continue outreach for ACR/MRS membership.
Contact non-members.

Tracking membership and dues Payments – Purchase or subscribe to software that will allow timely and accurate monitoring.

Sponsor income – Maintain and increase. Include Zoom meetings.

Meeting reductions – Consider combining Hickey lecture with spring meeting. Venue cost reduction.

Outreach to distant members to demonstrate inclusiveness.

Establish Zoom honoraria.

Centennial Financial Issues

Ralph Lieto and the centennial committee have devoted significant time and effort to produce a successful celebration. This fall weekend 2-day event will involve some MRS financial commitment. We present some of the known and projected financials facts. Shannon Sage, our manager, is an experienced event planner.

Income

Registration	22,000
Sponsor Income	27,000
Total Income	49,000

Expenses

Venue Costs	14,000
<i>(includes food and beverage/audio/visual for Fri reception, Sat. education event, Sat. evening gala dinner)</i>	
Speaker Travel/honoraria	5,000

The estimated total cost of the event is \$45,000. A significant portion should be paid by registration fees and sponsors. The financial hope is to break even.

Foundation Financials Issues

The Foundation is now a legal entity with tax exempt status. It will soon begin accepting donations and making disbursements. Banking and other needed accounts will soon be established. The Foundation is a sister organization to the MRS but separate from it. The IRS designation is 509(a)(3).

Based on prior agreement, the MRS provided \$12-13,000 in seed money. The funds paid legal fees to set up the organization. Going forward the Foundation will be responsible for its own administrative, fund raising, accounting and other costs.

Special thanks to Stephen Kilanowski and Michael Kasotakis for being the driving force in taking the idea gestation to maturity. We look forward to much success in maturing it.

Respectfully Submitted,
Randy Hicks, MD, MBA, Chair
Gordon Beute, MD, FACR, Co-Chair

2021 Budget

Account	2019 Actual	2020 Acutal	2021 Budget
REVENUE			
Breast Imaging Conference Exhibitors	\$ -	\$ -	\$ -
Breast Imaging Conference Registrations	\$ -	\$ -	\$ -
Educational Meetings	\$ 9,259	\$ 895	\$ 5,000
Interest Income	\$ 39	\$ 35	\$ 35
Membership Dues	\$ 211,419	\$ 200,504	\$ 200,000
Resident Conference	\$ 27,196	\$ 21,442	\$ 5,000
UpNorth Conference Revenue	\$ 20,272		\$ -
			\$ -
Total Revenue	\$ 268,185	\$ 222,875	\$ 210,035
EXPENSES			
Accounting Fee	\$ 1,862	\$ 4,540	\$ 2,000
Administrative Services	\$ 56,500	\$ 59,917	\$ 57,000
Annual Meeting Delegate Travel	\$ 27,997	\$ 2,350	\$ -
Board Meetings	\$ 1,793	\$ 1,802	\$ 1,000
Breast Imaging Conference	\$ 5,400	\$ 450	\$ -
Centennial Gala	\$ -	\$ 200	
Educational Meetings	\$ 10,996	\$ 4,748	\$ 1,000
Foundation	\$ -	\$ 13,014	\$ -
Insurance	\$ 956	\$ 956	\$ 1,000
Legislative Services	\$ 44,000	\$ 52,000	\$ 48,000
Membership Tracking Software	\$ -	\$ -	\$ 5,000
Miscellaneous Expense	\$ 699	\$ 43	\$ 500
Office Supplies	\$ -	\$ 32	\$ 150
Radiology Leadership Institute	\$ -		\$ 3,000
Resident Conference	\$ 13,319	\$ 18,054	\$ 2,500
Proxy Tax	\$ 646	\$ -	\$ -
UpNorth Conference	\$ 22,989	\$ -	\$ -
Web Design	\$ 2,604	\$ 2,151	\$ 800
Total Expenses	\$ 189,760	\$ 160,257	\$ 121,950
Increase (Decrease) in Net Assets	\$ 78,424	\$ 62,619	\$ 88,085

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BALANCE SHEET COMPARISON

As of December 31, 2020

	TOTAL	
	AS OF DEC 31, 2020	AS OF DEC 31, 2019 (PY)
Assets		
Current Assets	\$272,898.79	\$209,477.46
TOTAL Assets	\$272,898.79	\$209,477.46
LIABILITIES AND EQUITY		
Liabilities	\$0.00	\$0.00
Equity	\$272,898.79	\$209,477.46
TOTAL LIABILITIES AND EQUITY	\$272,898.79	\$209,477.46

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Profit and Loss Comparison

January - December 2020

	Total			
	Jan - Dec 2020	Jan - Dec 2019 (PY)	Change	% Change
Income				
Breast Imaging Exhibitors	0.00		0.00	
Educational Meeting Revenue	895.00	9,258.78	-8,363.78	-90.33%
Interest Income	34.85	38.54	-3.69	-9.57%
Membership Dues	200,503.66	211,419.04	-10,915.38	-5.16%
Resident Conference Revenue	21,442.71	27,196.20	-5,753.49	-21.16%
Up North Conference Revenue		20,272.82	-20,272.82	-100.00%
Total Income	\$ 222,876.22	\$ 268,185.38	-\$ 45,309.16	-16.89%
Gross Profit	\$ 222,876.22	\$ 268,185.38	-\$ 45,309.16	-16.89%
Expenses				
Accounting Fee	4,540.23	1,862.72	2,677.51	143.74%
Administrative Services	59,916.64	51,791.52	8,125.12	15.69%
Annual Meeting Delegate Travel	2,350.00	27,996.70	-25,646.70	-91.61%
Board Meetings	1,802.95	1,792.76	10.19	0.57%
Breast Imaging Conference	450.00	5,400.05	-4,950.05	-91.67%
Centennial	200.00		200.00	
Educational Meetings	4,747.84	10,995.55	-6,247.71	-56.82%
Foundation (MRS)	13,013.80		13,013.80	
Insurance	956.00	956.01	-0.01	0.00%
Legislative Services	52,000.00	44,000.00	8,000.00	18.18%
Miscellaneous Expense	43.35	698.72	-655.37	-93.80%
Office Supplies	31.60		31.60	
Resident Conference	18,054.40	13,319.06	4,735.34	35.55%
Tax - Proxy		646.41	-646.41	-100.00%
Unapplied Cash Bill Payment Expense	41.68	4,708.32	-4,666.64	-99.11%
UpNorth Conference		22,989.11	-22,989.11	-100.00%
Web Design	1,306.40	2,604.34	-1,297.94	-49.84%
Total Expenses	\$ 159,454.89	\$ 189,761.27	-\$ 30,306.38	-15.97%
Net Operating Income	\$ 63,421.33	\$ 78,424.11	-\$ 15,002.78	-19.13%
Net Income	\$ 63,421.33	\$ 78,424.11	-\$ 15,002.78	-19.13%

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BUDGET VS. ACTUALS: 2020 - FY20 P&L

January - December 2020

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
Breast Imaging Exhibitors	0.00	12,000.00	12,000.00	100.00 %
Breast Imaging Registrations		35,000.00	35,000.00	100.00 %
Educational Meeting Revenue	895.00	6,000.00	5,105.00	85.08 %
Interest Income	34.85	40.00	5.15	12.88 %
Membership Dues	200,503.66	195,000.00	-5,503.66	-2.82 %
Resident Conference Revenue	21,442.71	13,000.00	-8,442.71	-64.94 %
Total Income	\$222,876.22	\$261,040.00	\$38,163.78	14.62 %
GROSS PROFIT	\$222,876.22	\$261,040.00	\$38,163.78	14.62 %
Expenses				
Accounting Fee	4,540.23	2,000.00	-2,540.23	-127.01 %
Administrative Services	59,916.64	57,000.00	-2,916.64	-5.12 %
Annual Meeting Delegate Travel	2,350.00	31,000.00	28,650.00	92.42 %
Board Meetings	1,802.95	1,500.00	-302.95	-20.20 %
Breast Imaging Conference	450.00	32,000.00	31,550.00	98.59 %
Educational Meetings	4,747.84	11,000.00	6,252.16	56.84 %
Insurance	956.00	1,000.00	44.00	4.40 %
Legislative Services	52,000.00	48,000.00	-4,000.00	-8.33 %
Miscellaneous Expense	43.35	500.00	456.65	91.33 %
Office Supplies	31.60	150.00	118.40	78.93 %
Radiology Leadership Institute		3,000.00	3,000.00	100.00 %
Resident Conference	18,054.40	13,000.00	-5,054.40	-38.88 %
Tax - Proxy		500.00	500.00	100.00 %
Web Design	1,306.40	800.00	-506.40	-63.30 %
Total Expenses	\$146,199.41	\$201,450.00	\$55,250.59	27.43 %
NET OPERATING INCOME	\$76,676.81	\$59,590.00	\$ -17,086.81	-28.67 %
NET INCOME	\$76,676.81	\$59,590.00	\$ -17,086.81	-28.67 %