

## **Report of the Secretary–Treasurer Fiscal Year 2010**

### **FINANCIAL REPORT**

#### **Consolidated Results of Operations**

Our consolidated financial report includes the activities of both the American College of Radiology and the American College of Radiology Association, collectively referred to as the “College.”

In fiscal 2010, the College generated a positive bottom line with a total gain for the year of more than \$10 million. The net profit from operating activities accounted for approximately half of the total gain. This surplus stemmed primarily from accreditation revenues; this was a heavy year for MRI renewals in particular, but CT, PET, and Nuclear Medicine also had increased revenue. On the expense side, management worked diligently to control costs and identify cost savings, which resulted in a favorable variance from the annual budget. The remaining half of the total gain came from a positive return on investments for the fiscal year.

The College’s long-term investment portfolio produced an annual return of 14.60 percent for fiscal year 2010. This performance exceeded the benchmark return of 12.37 percent for the year. The portfolio remains invested in a number of equity and fixed-income mutual funds with an allocation to stocks and bonds that is in line with the long-term objectives of capital appreciation for the portfolio.

#### **Consolidated Financial Position**

The College continues to maintain its strong financial position. As of June 30, 2010, the College had assets of \$108.6 million and liabilities of \$45.6 million, with net assets of \$63 million. Net assets increased overall by \$10 million in fiscal year 2010, the positive bottom line from operations and investment earnings for the year.

To provide for ongoing financial stability, adequate funds for infrastructure maintenance, and resources for future initiatives, the College has a target level for net assets designated for long-term investment of 75 percent of annual internal expenditures. As of June 30, 2010, the percentage was 54 percent.

This is an upward trend from the prior year, when the percentage had dropped to 48 percent as a result of the downturn in our investments.

#### **Annual Audit**

The College’s independent auditors, BDO Seidman LLP, will be conducting their audit of the fiscal year 2010 financial statements in September 2010. Their report, when completed, will be reviewed and accepted by the ACR Audit Committee and on file at the College office in Reston, Va.

#### **HEADQUARTERS**

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