

## **Report of the Secretary–Treasurer Fiscal Year 2011**

### **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 2011, the College generated a positive bottom line with a total gain for the year of over \$13 million. The net profit from operating activities accounted for close to half of the total gain. This surplus stemmed primarily from accreditation revenues; we saw increased volumes of accreditation to comply with the new MIPPA requirements. On the expense side, management worked diligently to control costs, keeping expenses in line with 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 23.87 percent for fiscal year 2011. This performance exceeded the benchmark return by .75 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, 2011, the College had assets of \$129.8 million and liabilities of \$53.1 million, with net assets of \$76.7 million. Net assets increased overall by \$13 million in fiscal year 2011, from 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, 2011, the percentage was 58 percent. This ratio has been on an upward trend as our investments have recovered from the prior market decline.

#### **Annual Audit**

The College’s independent auditors, BDO Seidman LLP, completed their audit of the fiscal year 2011 financial statements in October 2011. The auditors expressed their highest level of opinion, an unqualified opinion, on the College’s financial statements. Their report was reviewed and accepted by the ACR Audit Committee and on file at the College office in Reston, Va.