

**Report of the Secretary-Treasurer
Fiscal Year 2014**

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 2014, the College generated a positive bottom line with a total gain for the year of \$15.8 million. This surplus stemmed primarily from positive investment returns on the long term investment portfolio, which accounted for \$11.3 million of the total gain. The remaining gain of \$4.5 million came from an operating surplus. Accreditation revenues and membership dues are the key funding sources for Reston office operations. The operating surpluses help fund the College's capital budget initiatives.

The College's long-term investment portfolio resulted in a gain of 18.59 percent for fiscal year 2014, slightly exceeding the benchmark return. 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. The College has maintained a disciplined investment approach which has proven successful over the longer term.

Consolidated Financial Position

The College continues to maintain its strong financial position. As of June 30, 2014, the College had assets of \$180.4 million and liabilities of \$78.9 million, with net assets of \$101.5 million. Net assets increased overall by \$15.8 million in fiscal year 2014 driving total net assets to exceed the \$100 million threshold for the first time.

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, 2014, the percentage was 87 percent. This ratio increased from the prior year as a result of positive investment returns and from cash transfers into the portfolio.

Annual Audit

The College's independent auditors, PricewaterhouseCoopers LLP, completed their audit of the fiscal year 2014 financial statements in October 2014. The ACR Audit Committee formally reviewed and accepted their report and it is on file at the College headquarters in Reston, VA.