The staff here just over-indulges us.
— Ray Eckert (Air Force)

Today, we follow 4 Key Strategic Performance Goals:

1. Embrace Resident-centered Care
2. Maintain Exceptional Stewardship
3. Promote a Staff-centered Environment
4. Leverage External Stakeholders

AFRH FY12 Net Costs by new Strategic Goals
(In Millions of $)

$64.8 (85%)
$6.8 (9%)
$4.6 (6%)

Statement of Changes in Net Position
This Statement points out the items that changed our net position (from the beginning of FY12 to the end). AFRH income actually increased because we received an unexpected budget appropriation to pay for earthquake damage to the historic Sherman Building and other earthquake-related damages.

Statement of Budgetary Resources
This Statement presents the budgetary resources as of September 30, 2012 and September 30, 2011, along with their status. The AFRH reported total budgetary authority of $133.2 million on September 30, 2012 as compared to $175.4 million on September 30, 2011.

Management Letter of Assurance
The AFRH is in full compliance with all applicable requirements in accordance with the Federal Managers’ Financial Integrity Act (FMFIA), PL No. 97-255 Section 2, and OMB Circular A-123 – Management’s Responsibility for Internal Control. AFRH managers, along with our partners BPD and the National Finance Center (NFC), actively participate in all Internal Controls (ICs).

Based on our annual analysis, the AFRH can provide reasonable assurance FMFIA objectives are met. Also, no material weaknesses have been reported in our ICs or financial reporting. Given our comprehensive management controls, I am pleased to certify with reasonable assurance that:

» AFRH financial reporting is reliable. Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with GAAP. Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
» AFRH ICs are effective for both the financial reporting through our partner BPD and for our campus operations through our corporate ICs Board
» AFRH is in compliance with all applicable laws and regulations under FMFIA, FFMIA, and FISMA. Financial and business exchanges are executed in accordance with laws governing the use of budget authority as well as laws and regulations that could have a direct and material effect on the financial statements
» AFRH performance reporting is reliable. Performance measures are properly recorded, processed, and summarized to permit information preparation per criteria established by AFRH management

Further, CARF inspectors have verified that several financial ratios are above the median, which indicates that the AFRH is a healthy, strong organization that is embracing industry standards.

Steven G. McManus
AFRH COO
November 15, 2012