

>> TREASURER'S REPORT

BY WAYNE BOYD, TREASURER

The NFPA treasurer's annual report is issued to Association members as required by the Articles of the Association, Section 6.11, Paragraph 2, as adopted through Amendment to the Articles in November 2000.

The economic environment remained very challenging for NFPA in 2011. The better-than-anticipated *National Electrical Code*® revenues in the latter part of 2010 did reduce publication revenues somewhat in 2011. This was compounded by reduced demand for all NFPA codes, especially those in the new construction arena. Membership levels declined slightly from 73,000 to 72,000. Acquisition of new members continued to be difficult to achieve in this economy, but retention of existing members improved. Training revenues were ahead of the previous year by approximately \$1 million. Expenses were higher than they were in 2010, and this deliberate increase was a result of new and important initiatives arising from NFPA's strategic plan. The organization incurred a small operating deficit, and had it not been for the pension liability adjustment, NFPA would have had a positive surplus after real estate and investment returns.

NFPA remains in a very sound financial position with a healthy cash balance, no debt, and total net assets of \$189 million.

Statement of Financial Position		<u>\$'000's</u>	<u>\$'000's</u>
		<u>2011</u>	<u>2010</u>
Assets			
Cash and cash equivalents		30,755	28,414
Inventory, accounts receivable, and other assets		17,637	17,774
Investments		137,150	134,963
Real estate investments, property and equipment		53,931	55,332
Total assets		<u>239,473</u>	<u>236,483</u>
Liabilities and net assets			
Accounts payable and accrued expenses		7,618	9,465
Pension liability		26,340	12,464
Deferred revenues		16,312	15,879
Total liabilities		50,270	37,808
Total net assets		<u>189,203</u>	<u>198,675</u>
Total liabilities and net assets		<u>239,473</u>	<u>236,483</u>
Statement of Activities			
Revenue			
Publications		46,065	64,450
Membership		13,786	13,892
Other		14,023	13,449
Total revenue		73,874	91,791
Expenses		(74,058)	(70,821)
Operating (deficit)/surplus		(184)	20,970
Real estate investments		1,995	3,238
Pension liability adjustment		(13,445)	(349)
Investment return		2,162	12,497
Contribution to the FPRF endowment fund		0	(4,000)
Change in net assets		(9,472)	32,356
Net assets at beginning of year		198,675	166,319
Net assets at end of year		<u>189,203</u>	<u>198,675</u>
Statement of Cash Flows			
Cash flows from operating activities		8,503	19,304
Cash flows from investing activities		(6,162)	(24,516)
Net increase (decrease) in cash and cash equivalents		2,341	(5,212)
Cash and cash equivalents at beginning of year		28,414	33,626
Cash and cash equivalents at end of year		<u>30,755</u>	<u>28,414</u>

