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

<table>
<thead>
<tr>
<th></th>
<th>$'000's</th>
<th>$'000's</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>30,755</td>
<td>28,414</td>
</tr>
<tr>
<td>Inventory, accounts receivable, and other assets</td>
<td>17,637</td>
<td>17,774</td>
</tr>
<tr>
<td>Investments</td>
<td>137,150</td>
<td>134,963</td>
</tr>
<tr>
<td>Real estate investments, property and equipment</td>
<td>53,931</td>
<td>55,332</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>239,473</td>
<td>236,483</td>
</tr>
<tr>
<td><strong>Liabilities and net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>7,618</td>
<td>9,465</td>
</tr>
<tr>
<td>Pension liability</td>
<td>26,340</td>
<td>12,464</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>16,312</td>
<td>15,879</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>50,270</td>
<td>37,808</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>189,203</td>
<td>198,675</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>239,473</td>
<td>236,483</td>
</tr>
</tbody>
</table>

### Statement of Activities

**Revenue**

- Publications: 46,065
- Membership: 13,786
- Other: 14,023
- **Total revenue**: 73,874

**Expenses**

- Operating (deficit)/surplus: (184)
- Real estate investments: 1,995
- Pension liability adjustment: 13,445
- **Total expenses**: (74,058)

**Operating (deficit)/surplus**

- (184)

**Real estate investments**

- 1,995

**Pension liability adjustment**

- 13,445

**Investment return**

- 2,162

**Change in net assets**

- (9,472)

**Statement of Cash Flows**

- Cash flows from operating activities: 8,503
- Cash flows from investing activities: (6,162)
- **Net increase (decrease) in cash and cash equivalents**: 2,341

**Statement of Cash Flows (cont.)**

- Cash and cash equivalents at beginning of year: 28,414
- Cash and cash equivalents at end of year: 30,755

### 2011 Revenue

- **Publications**: 62%
- **Membership**: 19%
- **Training**: 12%
- **Contracts**: 4%
- **Other**: 3%