

## **Financial Executives Research Foundation, Inc.**

### **Supplemental information (Unaudited)**

The Foundation's net assets increased by \$14,000 during the fiscal year 2005 compared to a decrease of \$35,000 in 2004. The increase in net assets was a combination of increases from operations of \$10,000 and a minimum pension liability adjustment of \$4,000 in the current fiscal year. The decrease in net assets in fiscal year 2004 resulted from a decrease from operations of \$84,000, partially offset by a \$49,000 minimum pension liability adjustment.

### **Revenues**

Revenues totaled \$930,000 and \$795,000 in fiscal years 2005 and 2004, respectively. For the current year, contributions and sponsorships totaled \$755,000, compared with \$686,000 for 2004, an increase of 10%.

Voluntary contributions are the principal source of revenues for the Foundation. Contributions of \$667,000 for 2005 increased \$15,000, or 2.3%, compared with 2004. This increase was primarily due to an increase in the average contribution per donor, due in part to fundraising initiatives in connection with the Foundation's celebration of its 60<sup>th</sup> anniversary. Of the 1,149 contributors this year, 581 were corporations and other organizations (a decrease of 60 or 9.4%), 66 were Financial Executives International (FEI) chapters compared with 65 last year, and 502 were individuals compared with 501 last year. Of the total contributions of \$667,000, \$509,000 was received from 581 corporations and other organizations with an average contribution of \$876, an increase of \$62 over 2004. Contributions from 66 FEI chapters totaled approximately \$61,000, for an average of \$927, an increase of \$131 from 2004, and contributions from 501 individuals totaled \$97,000, for an average of \$192, an increase of \$35 from 2004.

Sponsorships of \$88,000 for 2005 increased \$54,000, or 158.8%, compared with 2004. This increase was primarily due to an increase in underwriting and sponsorship of research projects.

Total research publication sales of \$42,000 were \$13,000 (44.8%) more than last year due to increase in distribution and price of certain publications and royalties of \$5,000 and \$8,000, respectively. These include sales to others of Executive

Reports, Issues Alerts, and royalties earned on third party agreements. Sales to FEI of \$100,000 relate to the purchase of ten magazine articles, newsletters, and other research services provided to FEI members in 2005. In 2004, nine magazine articles were sold to FEI.

### **Expenses**

Total expenses were \$943,000 in fiscal year 2005 compared with \$940,000 in 2004, a slight increase of \$3,000. Research and publishing expenses, which include the engagement of researchers, staff time, and the production, publication, distribution, and marketing processes, totaled \$507,000 for the year, compared with \$485,000 in 2004, an increase of \$22,000 (4.5%). Fundraising expenses totaled \$197,000, compared with \$202,000 for 2004, a decrease of \$5,000 (2.5%). Administration and general expenses, which include an allocated portion of senior management and staff support time and services provided by FEI, decreased by \$14,000, or 5.5%.

### **Net realized and unrealized gains on investments**

The net gains on investments of \$23,000 and \$61,000 in 2005 and 2004, respectively, were due to market increases in the value of the investment portfolio. These include unrealized gains of \$23,000 in 2005 and \$60,000 in 2004.

### **Net assets and liquidity**

The Foundation's net assets were \$851,000 and \$837,000 at June 30, 2005 and 2004, respectively. At June 30, 2005, the Foundation had cash and investments of \$1,216,000. These funds, excluding cash, are invested in 21% money market funds, 38% variety of mutual funds, and 41% fixed-income investments.

### **Summary**

The Board of Trustees has approved a Strategic Plan that is intended to enhance the quality of products and services to members, increase the Foundation's visibility, and provide long-term financial stability.