

## POLICY CONSIDERATION

**Subject:** Acceptance of the 2012 Audited Financial Statements of FMI.

**Issue:** Following a committee report from the Chair of the FMI Audit Committee, the full FMI Board of Directors will be asked to accept the 2012 audited financial statements. The statements presented are the consolidated financial statements of FMI and the FMI Foundation.

**Recommendation:** On behalf of the full Committee, the Chair of the Audit Committee will recommend acceptance of the audited financial statements.

**Background:** Attached is a draft copy of the statements to be presented to the Board in Orlando on April 29, 2013. An item of note is that FMI experienced its third consecutive year with an operating surplus after a decade of operating deficits. 2012 was particularly strong because of the net proceeds from the May trade show. Combined with the Foundation, FMI produced an operating surplus of more than \$2.7 million. FMI also had its fourth consecutive year of investment growth. This \$4.68 million gain (which is in addition to the operating surplus) came at an opportune time, as FMI's Pension Plan liability grew by \$5.8 million, due to the historically low interest rates in effect at the end of 2012. Taken together, all activities result in consolidated net assets at December 31, 2012 growing by \$1.8 million to \$18 million. By comparison, as recently as 2008, consolidated net assets were \$3.2 million.