Voluntary consensus standards and conformity assessment activities build bridges to new markets and create gateways for businesses in the complex world of market access and acceptance.

As the voice of the U.S. standards and conformity assessment system, the American National Standards Institute empowers its members and constituents to strengthen the U.S. marketplace position in the global economy while helping to assure the safety and health of consumers and the protection of the environment.

Together, ANSI and its Federation of members are building upon past accomplishments, initiating and leveraging strategic partnerships, and capitalizing upon emerging opportunities to demonstrate the strength of standards-based solutions to national and global priorities.

Together, we are building a bridge to the future.
As we celebrate nine decades of ANSI’s service to the citizens of the United States, it is appropriate that we reflect on how the focus of the Institute and its members has shifted over the years. We began by standardizing pipe threads and railroad tracks to fortify our nation’s infrastructure and help it to grow. These days, we tackle issues like biotechnology, energy management, learning services, and the global supply chain – more ephemeral concepts to be sure.

It is clear to me that the spirit with which ANSI was founded remains every bit as strong in 2008 as it was in 1918. Our founding members had a vision that this organization would become a guardian, a facilitator, and a coordinator of a comprehensive national system that would always be dynamic and responsive. We have stayed true to this vision as the role of voluntary standards and conformity assessment has grown to an increasingly prominent position in the global economy.

When I became ANSI’s chairman in 2006, I also brought the concerns of my colleagues in industry to the table and called for the Institute to shift its focus from standards as business to standards for business. With the support of our members, we have recast ANSI’s approach to embrace this perspective. We have broadened our reach to anticipate, identify, and address the issues that are important to new groups and industries that were previously outside the ANSI Federation. We have engaged with a steadily increasing number of consortia and other fora in the standards community and have found some common ground. And we have committed ourselves to a forward-looking approach that allows us to enable standards-based solutions for an ever-expanding array of national and global priorities.

It is in this later area where the ANSI Federation has truly excelled. Not only are keeping pace with evolving technologies, but we are also at the forefront of emerging issues. Our work in the area of consumer product safety is an excellent example. From toys to food, we have seized every opportunity to expand our reach and get the messages of the standards and conformity assessment community in front of corporate America, regulators and the general public. And all along, we are making sure that leaders of business and government understand what we are doing, why it is important, how they can participate, and how their active engagement will be in their best interests.

In my work at Deere & Company and in speaking with many of ANSI’s Company Members, I know that when it comes to codes, standards and the related compliance programs, we all want to “do it once, do it right, and do it globally.” That is why we continue to focus a great deal of attention on the international aspects of ANSI. Working together as members, volunteer leaders and staff, we have been fostering strategic partnerships with ANSI’s counterparts around the world and stepping forward to assume leadership positions in the global arena. I encourage my successor, and each of you, to continue pursuit of these opportunities.

I close by saying that it has been an honor and a privilege to work by your side. Together, we are building bridges to new areas where the American National Standards Institute can help meet the needs of those who rely upon us – whomever or wherever they may be.
In 2008, ANSI has already welcomed more than one hundred new organizations to the Federation. Many of you came to us through new initiatives that cut across industry sectors, including the regulation of chemicals used in manufactured goods, the education of our current and future workforce, and the safety of consumer products – especially those imported from other countries.

We have turned our attention to the strengthening of a public-private partnership that will better ensure the safety of goods found on store shelves across America. From sponsoring this summer’s Import Safety Summit to providing accreditation services for product certifiers under the new Consumer Product Safety Improvement Act, ANSI and its members are identifying some of the best practices that are already working, building upon them, and charting the course for continuous improvements in the global supply chain.

We have made a commitment to facilitate environmentally conscious practices for organizations around the world. We have seen overwhelming demand for our new accreditation program for greenhouse gas validation and verification. And a new online tool launched this summer – ANSI iPackages – makes it possible for organizations to share, annotate, and personalize the ISO 14000 series of environmental management system standards.

Our standards panels have realized some significant milestones this year, releasing reports on identity theft prevention and the financial impact of cyber risk. We have collaborated with global partners to develop a white paper on internationally compatible biofuels standards. And our recommendations on healthcare information technology have been recognized by Secretary Leavitt of the Department of Health and Human Services, making their implementation at the federal level required by law.

We are dedicated to strengthening our leadership role in the global arena. From Memoranda of Understanding with our counterparts in other nations like India, Israel, Egypt, and China to the relaunch of StandardsPortal to help facilitate cross-border trade, ANSI is committed to a high level of international engagement and cooperation.

Our annual Open Forum for Standards Developers continues to demonstrate that standards developing organizations and consortia travel along similar paths and face similar challenges. This year, attendees discussed practical matters, such as ways for ANSI to facilitate electronic meetings that could save time and money for everyone involved, and more far reaching issues, such as the need to attract a younger demographic to the standards community. We have strengthened our education and outreach initiatives, and will be launching in the near future a collection of case studies that will help the next generation workforce gain a better understanding of standardization. Our investment in the future is essential for continued growth and success.

Even in troubling economic times, ANSI is counting on our Federation of members to continue to work with us to embrace new opportunities and bridge the gaps between those who develop standards and those who rely upon them. As we mark ninety years of successes, I express ANSI’s appreciation to the members and partners that have made it possible for us to collectively develop, implement, and maintain the solutions that satisfy national, regional, and global needs. We thank our members, customers, and colleagues for your past support and we look forward to continuing to work with each of you well into the future.

S. Joe Bhatia
President and Chief Executive Officer
actions on top priorities
A brief summary of actions and accomplishments during the past year is shown below.

proactively address national, regional, and global priorities and emerging technologies
From international standards on energy management to a pilot accreditation program for greenhouse gas validation and verification bodies, ANSI is working to enable standards and conformity assessment-based solutions for the issues that are facing U.S. stakeholders – both at home and abroad. The ANSI/NAM Network on Chemical Regulation, formed in partnership with the National Association of Manufacturers, has helped manufacturers from all industry sectors to ready their REACH implementation strategies, preventing unnecessary duplicative costs and sharing best practices.

enable solutions through standards panels
The Identity Theft Prevention and Identity Management Standards Panel released a report to help organizations strengthen the way they protect personal data. Members of the Biofuels Standards Coordination Panel collaborated with colleagues from the European Union and Brazil to author a white paper on internationally compatible biofuels standards. The Nanotechnology Standards Panel continues to work in conjunction with the ANSI-Accredited U.S. Technical Advisory Group to ISO TC 229 to facilitate the development of standards supporting the burgeoning nanotechnology industry. The Healthcare Information Technology Standards Panel saw its first set of Interoperability Specifications recognized by Secretary Leavitt of the Department of Health and Human Services (HHS), and its website was streamlined and improved to offer greater accessibility and increased information, including a series of educational webinars. And the Homeland Security Standards Panel released a report that aids chief financial officers in determining the financial impact of cyber risk.

enhance conformity assessment portfolio
The Institute has launched a pilot accreditation program for third-party bodies working to validate and verify greenhouse gas emission assertions for a broad spectrum of industries. Supporting the efforts of greenhouse gas programs across the United States, the initiative has already experienced rapid growth, with nearly seventy applicants in this first cycle.

Building upon last year’s Commonwealth of Massachusetts recognition of ANSI’s accreditation program for personnel certification bodies, the California Occupational of Safety and Health Standards Board has granted ANSI’s petition for recognition as an accrediting body for crane operator certification programs. And earlier this year, the Institute signed a Memorandum of Understanding with the Toy Industry Association, making ANSI the official accreditor of product certification bodies under the Toy Safety Certification Program.

ANSI also signed an agreement with the International Accreditation Forum to bring worldwide recognition and acceptance to the Institute’s accreditation program for product certification bodies, and ANSI and ACLASS have agreed to conduct joint assessments on product certification bodies, inspection bodies, and testing and calibration laboratories, providing a cost-effective, value-added resource to those organizations that must undergo multiple conformity assessment activities.

expand outreach to broader constituencies
Through new partnerships with the Grocery Manufacturers Association and a host of organizations that support the food industry, ANSI is branching out into new areas of engagement. Increased participation by small to medium enterprises and their respective trade associations is a key priority for the Institute, as is outreach to state and local government entities as well as unrepresented sectors of the growing service economy.
strengthen impact and presence on capital hill
In the wake of national concerns about the safety of imported products, many government agencies and
gerulators have turned to ANSI and the standards and conformity assessment community to help in developing
solutions. President Bush’s Interagency Working Group on Import Safety called for increased reliance on
voluntary consensus standards and continued government participation in the development of these standards
and compliance programs. The Group’s Action Plan for Import Safety specifically cited the Toy Safety
Certification Program – a collaboration between ANSI and the Toy Industry Association – as an example of
a private-sector led program that is strengthening conformity assessment systems for consumer products.

In addition, the Consumer Product Safety Improvement Act of 2008 has made the implementation of two
American National Standards for toys and all-terrain vehicles required by law, and enforces the mandatory
testing and certification of children’s products by accredited third-party conformity assessment bodies. Under
the terms of the Act, the ANSI-ASQ National Accreditation Board / ACLASS is a qualified accreditor of
testing laboratories for children’s products.

build consumer confidence
Working in conjunction with eleven other leading associations and representatives of the President’s
Interagency Working Group, the Institute co-hosted the Import Safety Summit, an event that brought together
nearly 450 interested industry and government stakeholders, including keynote speaker HSS Secretary Leavitt,
to discuss the need for a stronger public-private partnership on import safety. ANSI moderated a panel
on standards and conformity assessment that addressed the role and importance of accredited third-party
certification programs in enhancing product safety and building consumer confidence. ANSI will co-host a
follow-up conference in early December to address food safety.

support and promote the united states trade agenda
As the focal point for the U.S. standards and conformity assessment system, ANSI helps businesses confront
their standards-related trade issues by leveraging its relationships with private-sector standards and conformity
assessment bodies, trade organizations, and government agencies; tackling technical and policy differences
across national borders; and capitalizing on its recognition as an accreditor of world-class standard-setting
and certification programs.

Through the relaunch of www.StandardsPortal.org, ANSI works to facilitate international trade by helping
companies to better understand the standards, regulatory, and conformance-related technical requirements
they face in the U.S., Chinese, and Indian economies, with the flexibility necessary to include information for
additional countries in the future. In addition, the Institute has worked to raise its profile with various high-level
business and political fora, including the U.S. Chamber of Commerce, the Transatlantic Economic Council, the

balance international participation
ANSI is an active member of the International Accreditation Forum and offers leadership as the nation’s official
member body to the International Organization for Standardization (ISO) and, through the U.S. National
Committee, the International Electrotechnical Commission (IEC). ANSI’s engagement in the international arena
spans a broad range of subject areas, including the health, safety, and environmental impact of nanotechnologies,
actions on top priorities

continued

second-hand goods, ocean energy devices, information and communication technology, energy management systems, and liquid biofuels.

accelerate revenue growth and diversification

In the long term, the Institute continues to position itself as a one stop resource for standards, conformity assessment, and related information. ANSI is strengthening its financial integrity by maximizing growth potential and broadening its range of services through new partnerships, associations, and joint ventures. Via a partnership with Citation Technologies, Inc., the Institute this year launched ANSI iPackages, a new delivery mechanism for the ISO 14000 environmental management system standards that allows users to customize and share their documents according to the particular needs of their organization.

diversify and grow membership

Membership growth continues to increase as ANSI delivers effective and compelling responses to member needs. The roll-out of the Affiliate Program, which provides individual, informational access to many of the Institute’s programs and resources, is expanding engagement in ANSI by new and existing contacts within the standards and conformity assessment community, including members of the U.S. Technical Advisory Groups to several IEC Technical Committees.

train and educate the next generation workforce

Through the Committee on Education, ANSI co-sponsored the 2008 International Committee for Education about Standardization workshop. Together, participants from eighteen countries identified numerous opportunities to mine existing content and to share information and best practices. Additional course content is being developed for www.StandardsLearn.org, and a collection of case studies is currently being developed for use in university classrooms to help all students – not just the engineers – understand the critical role that standardization plays in the global marketplace.

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ANSI Participation in the International Electrotechnical Commission (IEC)

Participating “P” Memberships: 153
Technical Advisory Groups: 153
U.S.-Administered TC Secretariats: 12
U.S.-Administered SC Secretariats: 11
U.S. Held Chairmanships: 26

ANSI Accredited Standards Developers (SDOs) and American National Standards (ANS)

Total Accredited SDOs: 217
Total Approved ANS: 9,806

Membership (as of September 2008)

Total Members: 841
New in 2007: 105
Company Members: 469
Government Members: 25
Organizational Members: 310
Educational Members: 17
International Members: 19
Sponsored/Subsidiary Member: 1

ANSI Participation in the International Organization for Standardization (ISO)

Participating “P” Memberships: 558
Technical Advisory Groups: 201
U.S.-Administered TC Secretariats: 31
U.S.-Administered SC Secretariats: 92
U.S. Held Chairmanships: 116

ANSI-Accredited Certification Programs

Product Certification Programs: 45
Personnel Certification Programs: 25

ANAB-Accredited Systems Certifiers

Quality Management: 68
Environmental Management: 44

AClass-Accredited Laboratories

Testing Laboratories: 89
Calibration Laboratories: 180
Reference Material Producers: 5
In fulfilling its mission, ANSI:

- Is recognized by both the public and private sectors as the policy forum for the U.S. standards and conformity assessment community.
- Approves standards as American National Standards (ANS) and safeguards the integrity and value of the ANS designation by requiring openness, balance, due process, consensus, and transparency to all directly and materially affected interests in the private and public sectors.
- Coordinates the efforts of companies and consumers to make products and systems safe, efficient, and globally relevant.
- Provides a means for assessing the need for new standards and conformity assessment activities and promotes the resolution of identified needs.
- Is the official U.S. representative to non-treaty, regional and international standards and conformity assessment organizations and, as such, facilitates access by U.S. interests to those organizations and promotes U.S. interests abroad.
- Interfaces with U.S. and other governments on standards and conformity assessment issues.
- Accredits standards developers, U.S. Technical Advisory Groups (TAGs) to ISO, and conformity assessment programs.
- Provides a central resource, using the most modern means available, for timely, relevant, and easily accessible information and education on standards, conformity assessment programs, and related activities in the U.S. and abroad.

SUPPORT AND REVENUE ($27.4M)

For more information, see the Statement of Activities shown on page 12.

EXPENSES ($26.8M)

Management and general (17%)
Membership development and administration (2%)
Government affairs (2%)
Federation promotion (2%)
Fee-based services (10%)
Governance (5%)
ISO/IEC dues (8%)
International standards programs (11%)
Accreditation services (13%)
Publications (30%)

The American National Standards Institute (ANSI) is a 501(c)3, not-for-profit organization.
## Financial Position

### Year Ended December 31, 2007

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2007</th>
<th>2006</th>
<th>Summarized Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,785,738</td>
<td>$1,552</td>
<td>$4,787,290</td>
<td>$4,557,893</td>
<td></td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications and royalties</td>
<td>1,692,291</td>
<td>1,692,291</td>
<td>1,573,396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues (net of allowance for doubtful accounts of $500,000 and $342,000 for 2007 and 2006)</td>
<td>4,751,550</td>
<td>4,751,550</td>
<td>5,019,658</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments — marketable securities</td>
<td>6,531,136</td>
<td>320,420</td>
<td>6,851,556</td>
<td>6,012,490</td>
<td></td>
</tr>
<tr>
<td>Investment in ANAB</td>
<td>940,360</td>
<td>940,360</td>
<td>1,069,605</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,981,471</td>
<td>1,981,471</td>
<td>991,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,372,895</td>
<td>1,372,895</td>
<td>1,595,133</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$22,055,441</td>
<td>$321,972</td>
<td>$22,377,413</td>
<td>$20,820,089</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,205,895</td>
<td></td>
<td>$4,205,895</td>
<td>3,230,271</td>
<td></td>
</tr>
<tr>
<td>Deferred dues and fee income</td>
<td>6,081,742</td>
<td></td>
<td>6,081,742</td>
<td>5,910,770</td>
<td></td>
</tr>
<tr>
<td>Deferred rent</td>
<td>485,435</td>
<td></td>
<td>485,432</td>
<td>569,977</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$10,773,072</td>
<td></td>
<td>$10,773,072</td>
<td>9,711,018</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating fund</td>
<td>$4,640,438</td>
<td>$4,640,438</td>
<td>$4,640,438</td>
<td>4,517,087</td>
<td></td>
</tr>
<tr>
<td>Board-designated permanent reserve</td>
<td>5,600,832</td>
<td></td>
<td>5,600,832</td>
<td>5,600,832</td>
<td></td>
</tr>
<tr>
<td>Specific-purpose funds</td>
<td>1,041,099</td>
<td></td>
<td>1,041,099</td>
<td>710,957</td>
<td></td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>321,972</td>
<td></td>
<td>321,972</td>
<td>280,195</td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$11,282,369</td>
<td></td>
<td>$11,604,341</td>
<td>11,109,071</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$22,055,441</td>
<td></td>
<td>$22,377,413</td>
<td>20,820,089</td>
<td></td>
</tr>
</tbody>
</table>
## Statement of Activities

**Year Ended December 31, 2007**

<table>
<thead>
<tr>
<th>Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2007</th>
<th>%</th>
<th>2006</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership dues and assessment fees</td>
<td>$4,687,860</td>
<td>$4,687,860</td>
<td>17%</td>
<td>$4,506,583</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td>14,880,339</td>
<td>14,880,339</td>
<td>54%</td>
<td>13,010,258</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Accreditation services</td>
<td>3,623,714</td>
<td>3,623,714</td>
<td>13%</td>
<td>3,225,976</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>International standards programs</td>
<td>809,989</td>
<td>809,989</td>
<td>3%</td>
<td>819,541</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Fee-based programs</td>
<td>2,744,660</td>
<td>2,744,660</td>
<td>10%</td>
<td>2,192,981</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>591,663</td>
<td>41,777</td>
<td>3%</td>
<td>892,490</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Support and Revenue** | $27,338,225 | $27,380,002 | 100% | $24,647,829 | 100% |

| Expenses | | | |
|---------------------|--------------|------------------------|------|---|------|---|
| Program expenses: | | | |
| Publications | $8,133,345 | $8,133,345 | 30% | $6,870,184 | 29% |
| Accreditation services | 3,352,621 | 3,352,621 | 13% | 2,985,775 | 12% |
| International standards programs | 3,059,196 | 3,059,196 | 11% | 2,956,234 | 12% |
| ISO/IEC dues | 2,173,733 | 2,173,733 | 8% | 2,108,180 | 9% |
| Governance | 1,441,449 | 1,441,449 | 5% | 1,326,547 | 5% |
| Fee-based services | 2,660,978 | 2,660,978 | 10% | 1,881,291 | 8% |
| Federation promotion | 566,947 | 566,947 | 2% | 911,212 | 4% |
| Government affairs | 489,366 | 489,366 | 2% | 439,248 | 2% |

**Total Program Expenses** | $21,877,635 | $21,877,635 | 19,478,671 |

| Management and General: | | | |
|---------------------|--------------|------------------------|------|---|------|---|
| Membership development / administration | 560,341 | 560,342 | 2% | 673,586 | 3% |
| Other management and general | 4,312,327 | 4,312,327 | 17% | 3,792,672 | 16% |

**Total Management and General** | $4,872,669 | $4,872,669 | 4,466,258 |

**Total Expenses** | $26,750,304 | $26,750,304 | 100% | $23,944,929 | 100% |

| Increase in Net Assets Before SFAS 158 | $587,921 | $41,777 | $629,698 | $702,900 |
| Effect of Adoption of SFAS 158 | (134,428) | (134,428) |

| Increase in Net Assets | 453,493 | 41,777 | 495,270 | $702,900 |
| Net Assets, Beginning of Year | 10,828,876 | 280,195 | 11,109,071 | 10,406,171 |

**Net Assets, End of Year** | $11,282,369 | $321,972 | $11,604,341 | $11,109,071 |
basis of financial statement presentation
The American National Standards Institute, Incorporated (the “Institute”), is a not-for-profit service organization, founded in 1918. It is the coordinating organization for the United States’ national standards system. The Institute does not develop standards. It provides the means for determining the need for standards and ensures that organizations competent to fill these needs undertake the standards development work. The programs of the Institute are carried out by the Board of Directors. The Institute is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and from state and local taxes under comparable laws.

accrual basis of accounting
The financial statements of the Institute have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit entities.

use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

cash and cash equivalents
The Institute considers all highly liquid investments with original maturities of less than three months to be cash equivalents, except for such amounts held in the Institute’s investment portfolio, which are considered to be held for long-term purposes. The carrying amount approximates the fair value because of the short maturity of these investments. Sometimes deposits have been pledged as collateral for a letter of credit and for foreign exchange transactions.

investments
Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair values, with realized and unrealized gains and losses included in the accompanying statements of activities. Net investment income is recorded as unrestricted and restricted, in accordance with donor intent.

property and equipment
Property and equipment are stated at their costs at the dates of acquisition. Leasehold improvements are also capitalized, whereas costs of repairs and maintenance are expensed as incurred.

Depreciation of furniture and equipment is provided using the straight-line method, over the estimated useful lives of the respective assets, ranging from three to ten years. Likewise, depreciation of leased assets is computed using the straight-line method over the life of the assets. Leasehold improvements are amortized over the lesser of the estimated useful life of the specific asset or the term of the applicable lease.

revenue recognition
Revenue from publication sales is recognized when the customer purchases an electronic copy of the publication through the Institute’s e-commerce website or when the order was fulfilled by third party resellers. Membership dues and fee-based programs are credited to income over the period to which they apply. Recognition of revenue from membership dues and fee-based programs relating to a future year is deferred until that year.

deferred rent liability
Rent expense is recognized using the straight-line method over the terms of the lease. The difference between rent expense incurred and the amount paid, which is attributable to scheduled rent increases, is reported as a deferred rent liability in the statements of financial position.

net assets
The net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted net assets represent those resources that have no donor restrictions as to their use. In 1969, the Board of Directors designated a permanent reserve fund for the establishment of new standards programs and to fund future operating deficits. The permanent reserve is funded by the operating fund and invested subject to approval by the Board’s finance committee. In 1973, the Board of Directors established a special-purpose, international fund to assist the Institute in its international standardization and related activities. Expenditures from the income of the fund must be authorized by the board of trustees of the international fund.

Temporarily restricted net assets consist of resources, the use of which has been restricted by donors to specific purposes. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor.

The Peralta Charitable Remainder Unitrust was established in 1993. Upon the death of the Unitrust beneficiaries, the principal and income of the trust will be distributed to the Institute to be used for educational purposes.

SFAS 158

SFAS No. 158 requires the recognition, in the sponsoring entity’s financial statements, of an asset or liability for the “funded status” of a defined benefit plan, measured as the difference between the projected benefit obligation and the fair value of the plan’s assets.
board of directors
as of October 1, 2008

chairman
Mr. Robert W. Noth
Manager, Engineering Standards, Deere & Company

vice chair
Mr. Arthur E. Cote, PE
National Fire Protection Association

vice chair
Ms. Laura E. Hitchcock
Corporate Project Manager, External Standards Management, The Boeing Company

vice chair
Mr. James T. Pauley
Vice President, Industry and Government Relations, Square D Co./Schneider Electric, N. American Division

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