



NEEF 2012
NATIONAL ENERGY FOUNDATION ANNUAL REPORT

LETTER FROM THE PRESIDENT



This year has brought many changes and developments for National Energy Foundation. Our mission to “cultivate and promote an energy literate society” is impacting a wider audience now than ever before. Increased emphasis on material sales and safety programs, realignment in responsibilities and a new office

branch located in the heart of Michigan are just a few of the preparations made over the past year to successfully be a leader in the future of energy education.

The performance over the past year at NEF helps to realize the possibility of expanding NEF’s reach. **ENERGY SAFE KIDS** is undergoing a transformation into comprehensive energy safety education beyond 4th and 5th grade students and NEF materials are now consistently being sold

all over the United States, Canada and beyond. These are results of setting and achieving goals as an organization. To keep up that momentum, we have set even more challenging goals for this year and realigned our staff to better utilize their individual strengths.

NEF employees, partners, sponsors and program participants have done a great job carrying our mission to more people than it has previously reached. However, we are not willing to rest on our laurels; NEF will continue to expand and use new channels of communication, identify new audiences and help keep energy an important part of education.

Robert Poulson
President
National Energy Foundation

OUR STORY

Energy problems first highlighted by the 1973-74 gasoline and fuel shortages spawned considerable research efforts on the topic of energy conservation. Throughout the 1970s, over 300 energy-consumption studies were conducted. Leaders from prominent energy businesses and organizations in the U.S. recognized the importance of energy and its contribution to our economy, national security, quality of life and the environment. This influential group joined together to form National Energy Foundation and launch an innovative initiative to educate the public about energy and conservation.

Energy is an important part of the American way of life and has remained so despite the many changes in political, economic and social landscapes. In order to fulfill our mission of

promoting and cultivating energy literacy, NEF is dedicated to providing consistent, quality energy education. NEF employs the approach of educating rather than advocating to maintain authority and integrity in the fields of education and energy use.

The commitment NEF made to education early on has allowed the Foundation to work with a large variety of sponsors, departments of education, governmental organizations, teachers, students and thousands of program participants. NEF continues to tailor its message and methods of educating in order to remain on the cutting edge of energy related issues and effectively reach the target audience, “K through gray!”

ENERGY AWARENESS AND NATURAL RESOURCES

Energy awareness and natural resource education programs are essential to fulfilling the NEF mission. Natural resources, energy efficiency and energy safety are all covered in the awareness curriculum. Program formats primarily include in-class presentations, community forums and teacher workshops. Although programs vary, each provides a rich and unique educational opportunity. Energy awareness programs and sponsoring organizations for fiscal year 2011 - 2012 were:

Energy Awareness

- Johnson Controls, Inc. National Blue Sky Initiative, Pennsylvania
- PPL Electric Utilities, Pennsylvania
- Murray City Power, Utah
- Murray City Water, Utah
- Rocky Mountain Power, Utah Office of Energy Development and Utah Jazz Green Team, Utah
- Utah Municipal Power Agency, Utah

Out of the Rock

- Idaho Mining Association
- Utah Mining Association

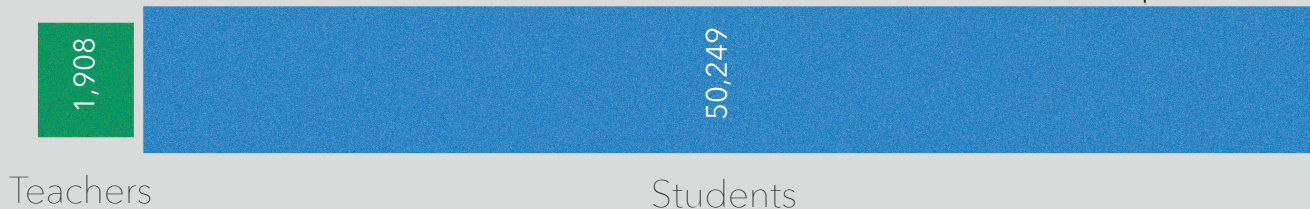
Energy Safe Kids

- Vectren Energy Delivery, Indiana and Ohio
- UGI, Pennsylvania

Energy Action In Schools

- Indiana Office of Energy Development and Duke Energy, Indiana
- Utah Office of Energy Development and Johnson Controls, Inc., Utah
- Academy of Energy, Johnson Controls, Inc., National

52,157 Total Estimated Participants



ENERGY MANAGEMENT

Energy management programs combine energy education with high-efficiency technologies for participants to install in their homes. Students in 2nd and 3rd grades took part in the **Bright Kids** program focusing on electricity and lighting. Students in 4th through 7th grades took part in the **Take Action!** program on electricity, natural gas and water. These programs garner measured savings for the sponsoring utilities and make up the **THINK! ENERGY** brand. Energy management programs and sponsoring organizations for fiscal year 2011 - 2012 were:

THINK! ENERGY with Nicor Gas

- Nicor Gas, Illinois

THINK! ENERGY with Nicor Gas and ComEd

- Nicor Gas, Illinois
- ComEd, Illinois

THINK! ENERGY Indiana

- Citizens Gas
- Indianapolis Power and Light
- Northern Indiana Public Service Company
- Vectren Energy Delivery

DTE Energy THINK! ENERGY

- DTE Energy, Michigan

THINK! ENERGY with Consumers Energy

- Consumers Energy, Michigan

THINK! ENERGY with Efficiency United

- CLEAResult, Michigan

THINK! ENERGY with E-power

- PPL Electric Utilities, Pennsylvania

THINK! ENERGY with UGI Utilities

- UGI Utilities, Pennsylvania

74,872
STUDENTS

2,927
TEACHERS

8 PROGRAMS

21,530,406
KWH SAVED

1,187,862
THERMS SAVED

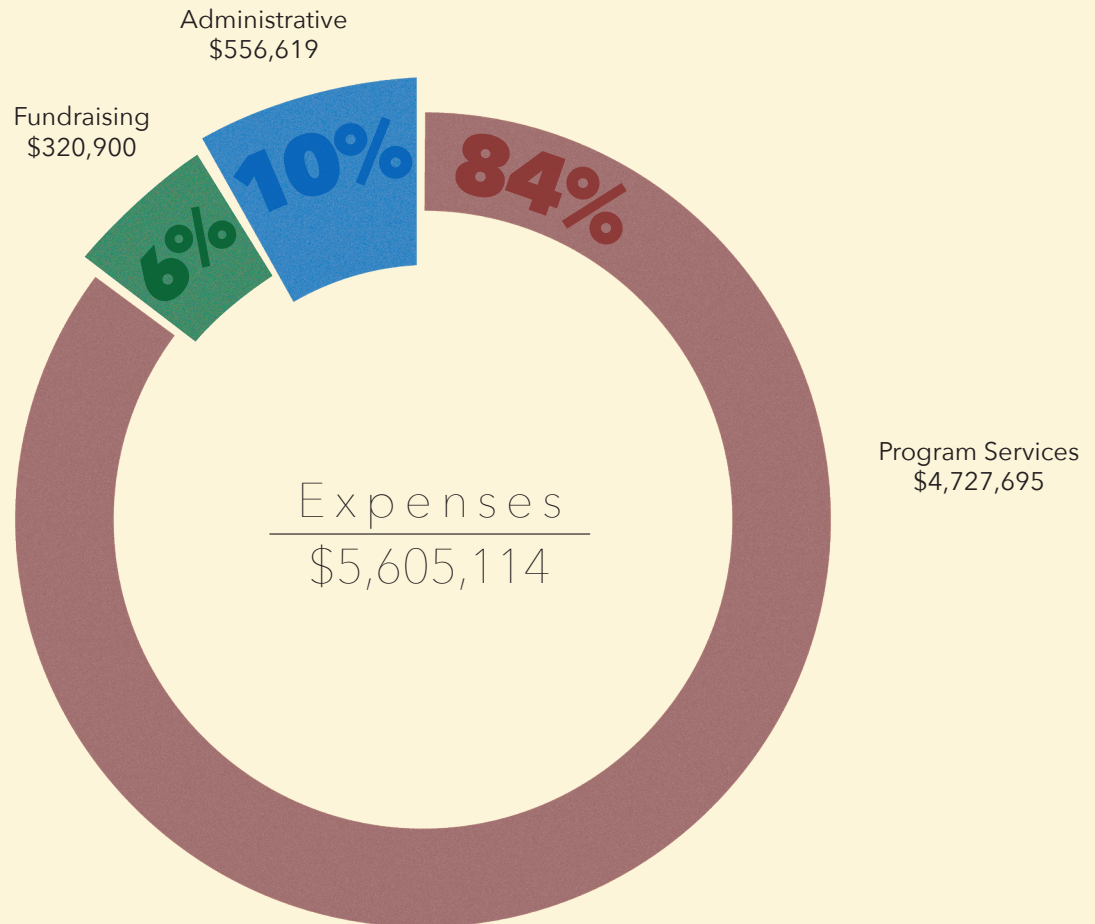
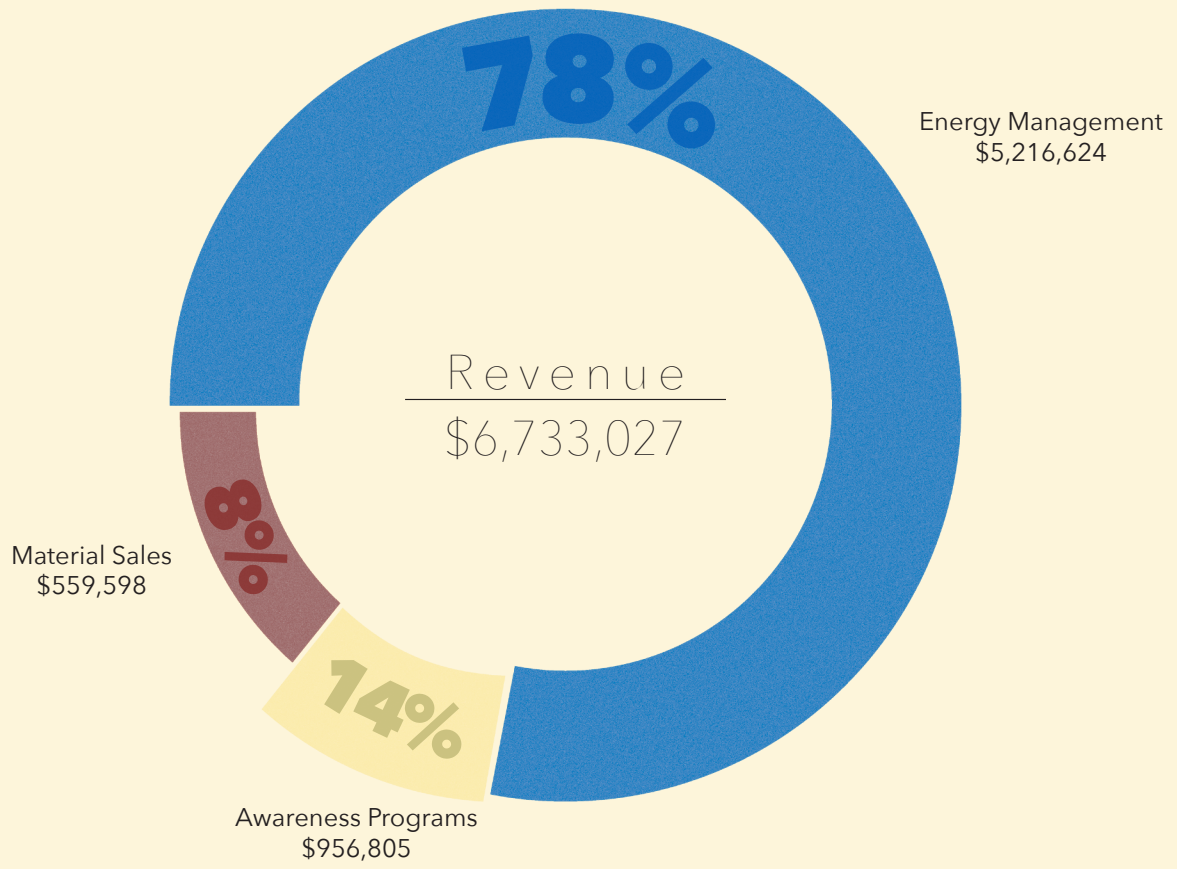


STATEMENT OF FINANCIAL POSITION

ITEM	FY2011	FY2012
ASSETS		
Current Assets		
Cash and cash equivalents	1,201,789	1,965,644
Accounts receivable	525,437	454,786
Inventory	141,665	125,823
Investment in mutual funds	496,502	485,536
Other current assets	19,230	21,031
Total current assets	2,384,623	3,052,820
Property and equipment:		
Office equipment	174,452	239,474
Less accumulated depreciation	(30,956)	(85,905)
Property and equipment (net)	143,496	153,569
Deferred compensation plan (Note 3)	96,578	156,555
Total assets	2,624,697	3,362,944
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	244,779	278,098
Deferred revenue	849,400	630,202
Total current liabilities	1,094,179	908,300
Deferred compensation plan (Note 3)	94,446	93,748
Total liabilities	1,188,625	1,002,048
Net assets:		
Unrestricted	1,435,677	2,360,501
Restricted	395	395
Total net assets	1,436,072	2,360,896
Total liabilities and net assets	2,624,697	3,362,944

STATEMENT OF ACTIVITIES

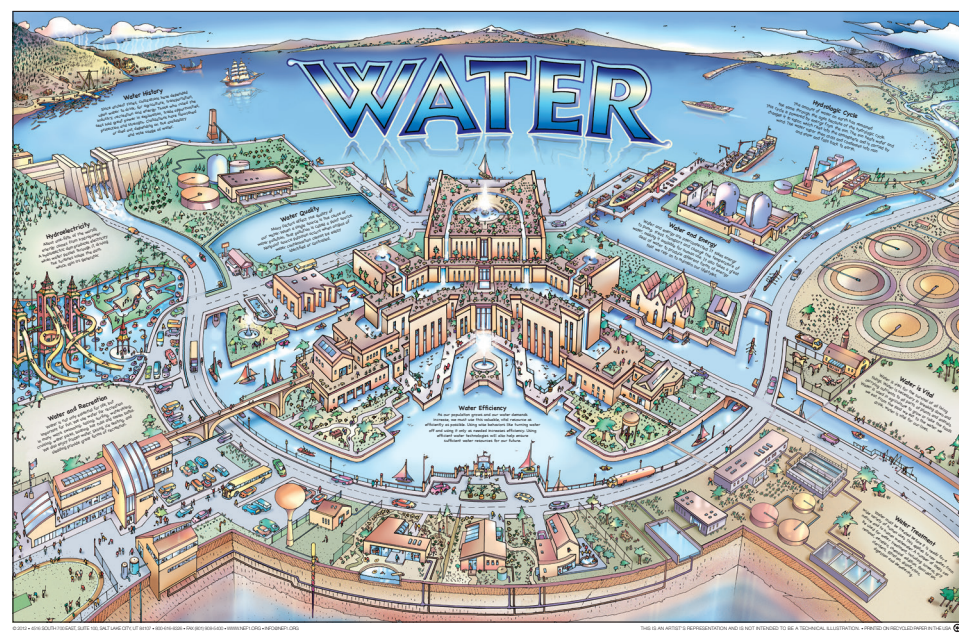
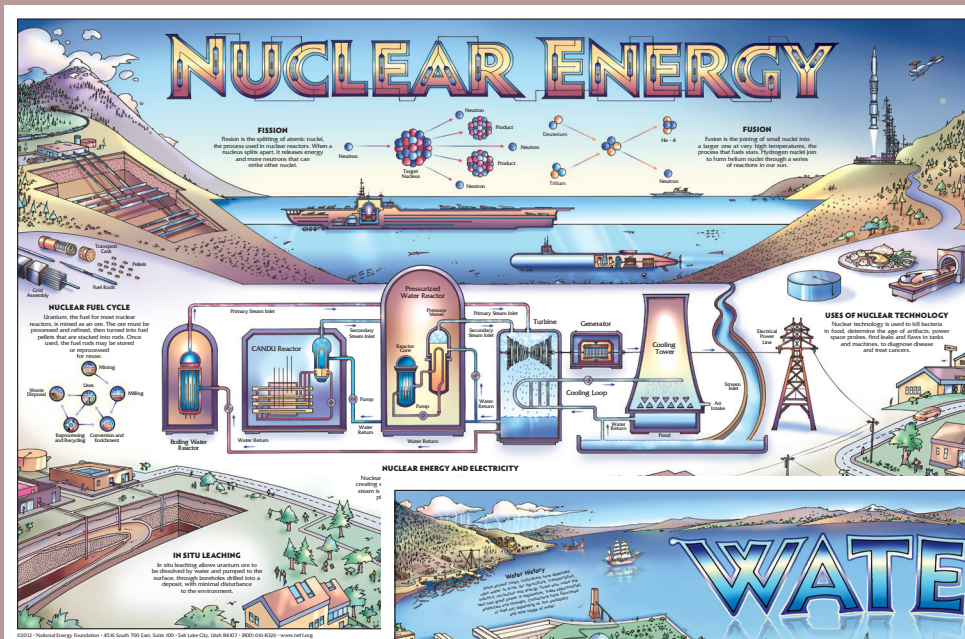
ITEM	FY2011	FY2012
Revenue and support:		
Material sales	637,588	559,598
Less cost of materials	217,488	210,040
Gross margin	420,100	349,558
Program sponsors	4,560,409	6,173,429
Contributions	338	6,500
Miscellaneous revenue	18,046	17,221
Non-materials revenue and support	4,578,793	6,197,150
Total revenue and support	4,998,893	6,546,708
Expenses:		
Program services:		
Awareness	580,796	645,232
Energy management	2,670,743	3,899,039
Student Competitions	31,922	56,773
Materials, development & sales	326,473	151,402
Total program services	3,634,785	4,727,595
Support services:		
Fundraising	208,644	320,900
Administrative	413,015	556,619
Total support services	621,659	877,519
Total expenses	4,256,444	5,605,114
Other income:		
Unrealized gain (loss) on investments	(3,498)	(16,770)
Change in unrestricted net assets	738,951	924,824
Changes in temporarily restricted net assets:		
Contributions revenue	-	-
Change in temporarily restricted net assets	-	-
Change in net assets	738,951	924,824
Net assets, beginning of year	697,121	1,436,072
Net assets, end of year	1,436,072	2,360,896



MATERIALS DEVELOPMENT

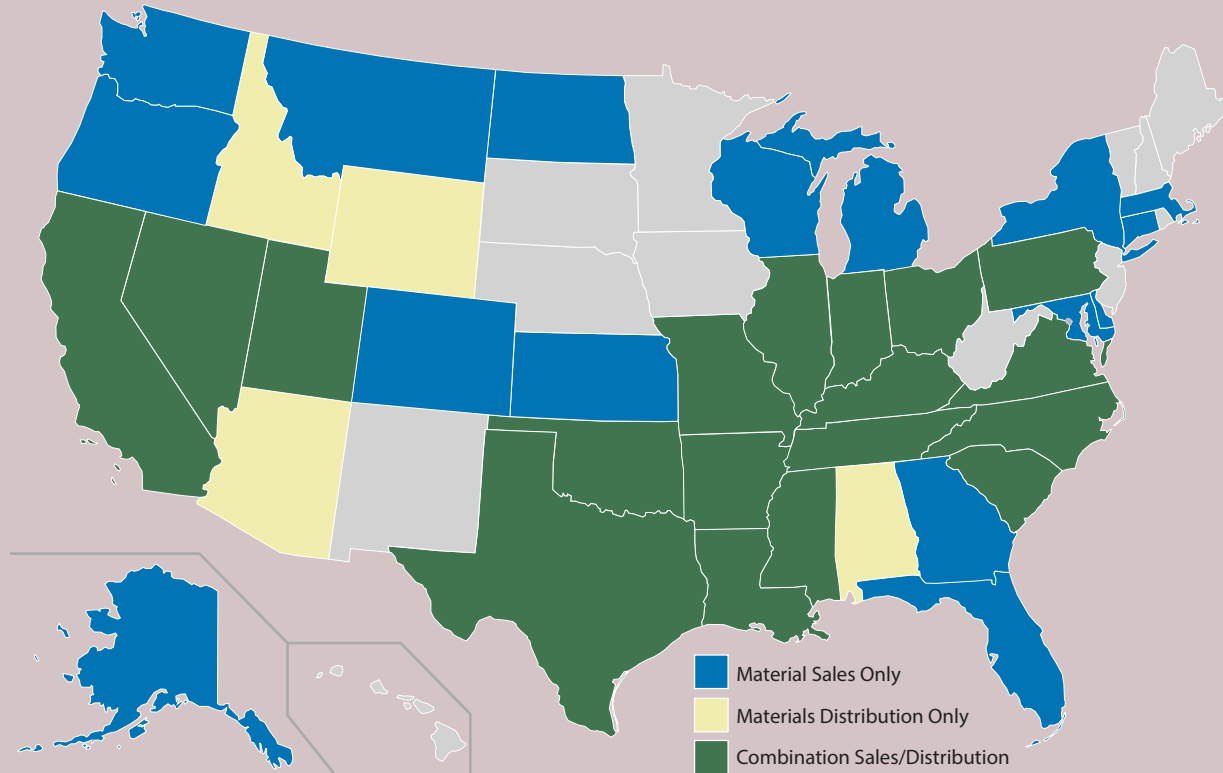
Materials development has contributed to NEF's standard of excellence in energy education for 36 years. New materials and materials revisions are produced every year to keep students, teachers and parents current and informed on energy related issues. In fiscal year 2011 - 2012 the following materials were created or revised:

- Nuclear Energy poster
- Water poster
- Adult Energy Efficiency Educational course and manual
- Solar for Schools poster and curriculum
- Sustainability Teacher Guide
- E-learning Energy Literacy course
- Michigan Take Action Teacher Guide
- Michigan Take Action Student Guide



MATERIALS SALES

Materials sales help NEF promote energy literacy by making energy curriculum available to anyone and everyone. Materials sales also contribute to the financial wellbeing of NEF by providing a consistent source of revenue. Materials are sold through NEF programs and catalogs in addition to the new online store at www.NEF1.org/store.



MATERIALS DISTRIBUTION

Materials distribution programs provide teachers with high-quality NEF instructional materials focusing on energy, environment and natural resources. Sponsoring utilities make it possible for these materials to be used in classrooms free of charge in order to bolster science, technology, engineering and math. Areas of implementation are targeted geographically to align with sponsor service territories and regions. Materials distribution programs and sponsors for fiscal year 2011 - 2012 were:

The Academy of Natural Gas Education

- 15 natural gas utilities
- 21 states coast to coast

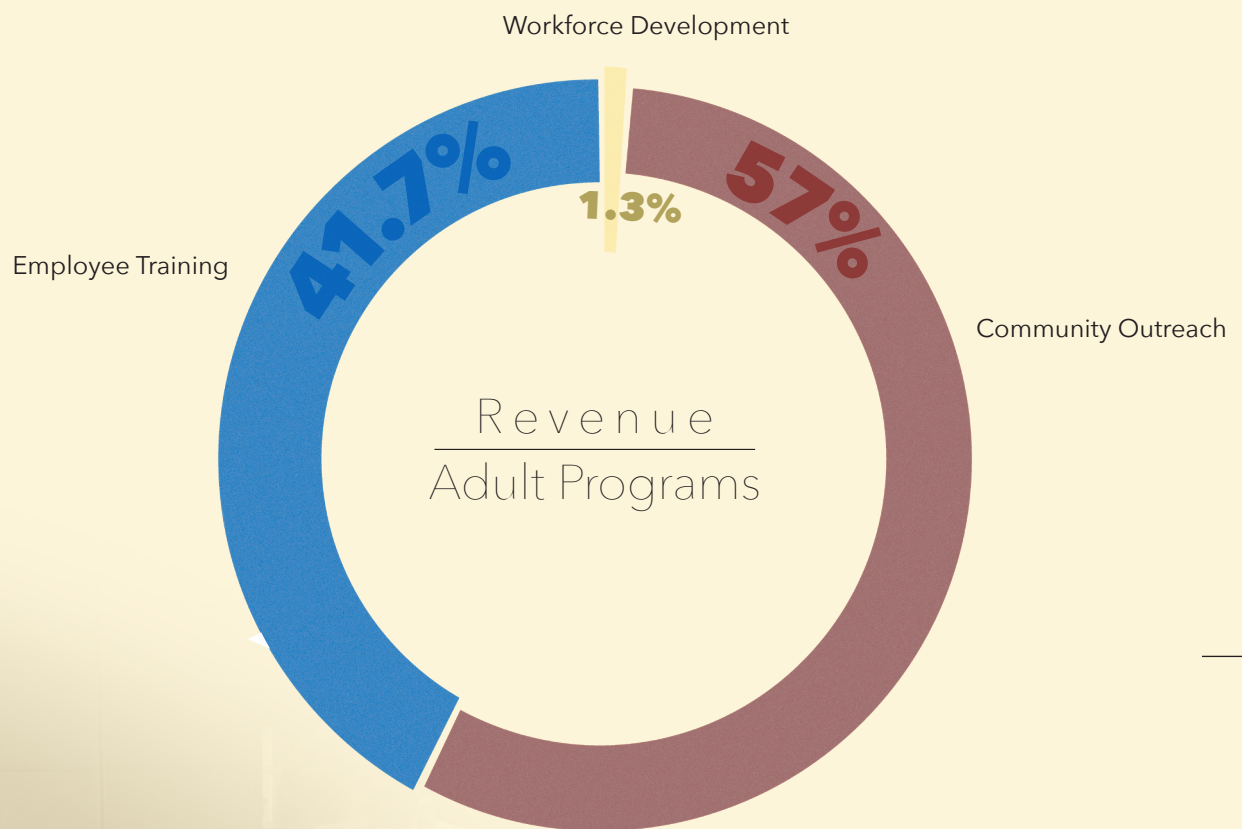
Energy Smart Students

- New York State Energy Research and Development Authority

ADULT ENERGY EDUCATION PROGRAMS

Adult energy efficiency programs address energy use in the home, workplace and community. Curriculum is centered around available technologies and wise behaviors to increase energy efficiency. NEF adult programs stress the impact energy use and natural resources have on the environment. These programs are a great complement to sustainability goals for organizations and LEED certification requirements. The adult programs and sponsoring organizations for fiscal year 2011 - 2012 were:

- Vectren C² Think Twice Employee program, Indiana
- E-learning course for Building Medi, Inc./NEF, Oregon
- PPL E-power Take Action at Home Community Forum, Pennsylvania
- Salt Lake County's Energy Smart program, Utah
- Utah State Employee Training program, Utah



CONSULTATION

The Foundation's consultation services vary from informal recommendations to comprehensive involvement and planning. NEF is frequently called on by educators and partners to assist with on-site visits, committee membership opportunities, presentations at conferences, marketing consultation, custom materials development and strategic proposal writing. NEF appreciates the collaborative nature of consultation and in the fiscal year 2011 - 2012 worked closely with:

- American Council for an Energy-Efficient Economy
- American Gas Association
- Association of Energy Service Professionals
- Center for Energy Workforce Development
- Common Ground Alliance
- E-Source
- Edison Electric Institute
- Indiana State Teachers Association
- Interstate Oil Gas Compact Commission
- Michigan Department of Education
- National Energy and Utility Affordability Conference
- Nuclear Energy Institute
- Pennsylvania Department of Education
- Pipeline and Hazardous Materials Safety Administration
- Rocky Mountain Power
- Southwest Utah Renewable Energy Center
- Triangle Coalition
- Utah Department of Workforce Development
- Utah Education Association
- Utah Governor's Energy Summit
- Utah Jazz
- Utah Mining Association

STUDENT COMPETITIONS

Student competitions allow students to express creativity while thinking critically about energy related issues. These competitions create meaningful interaction between sponsors, teachers and students. The contests offer rewards and recognition for participants and provide excellent public relations and marketing opportunities. NEF administered, coordinated and/or conducted the following competitions in fiscal year 2011 - 2012:

- Nicor Gas Energy by Design, Illinois
- Citizens Gas Energy Savers Poster Contest, Indiana
- Johnson Controls Inc. Solar for Schools Slogan Contest, Utah
- Utah Student Debate Program, Utah



LETTER FROM THE CHAIRMAN OF THE BOARD



As you review the latest annual report from National Energy Foundation (NEF), you will see a significant increase in the programs and products that NEF provides, primarily to our nation's teachers and students. The NEF management and staff deserve a lot of credit for this accomplishment and it is a tribute to the value of NEF

to the energy industry and to our educational system that we are seeing this expansion of NEF programs.

The importance of enhancing the education of America's youth on energy and thus the value of NEF cannot be overstated. Energy is the lifeblood of our economy and is critical to our quality of life. Because of American innovation, we are benefiting from our abundant sources of shale gas and oil reserves; the advances in energy efficiency and distributed generation; the deployment of new

advanced design nuclear energy plants and of renewable energy technologies; and advances in the use of clean coal technologies. Educating our children and even many of the adults in America about what they can do to save energy, use it wisely and to capitalize on the growing career opportunities in the multiple industries that work in the energy business is a critical foundation for making our country better. As you read this year's NEF Annual Report, you will see how NEF is making a significant contribution to addressing this critical educational need in America. Those of us on the Board are very pleased that the staff of NEF has achieved the success you will read about. We hope that you will join us in supporting the types of programs NEF provides and that you too will contribute to enhancing energy literacy in America.

Marvin S. Fertel

**Nuclear Energy Institute
Chairman of the Board**

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