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ASSOCIATION OF
ASBESTOS-CEMENT PIPE PRODUCERS

Financial Statements for the
Years Ended December 31, 1980
and 1979 and Auditors' Opinion

Deloitte
Haskins+Sells

1101 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 862-3500
TWX 710-822-9289

AUDITORS' OPINION

The Board of Directors
Association of Asbestos-Cement Pipe Producers:

We have examined the balance sheets of the Association of Asbestos-Cement Pipe Producers as of December 31, 1980 and 1979 and the related statements of revenue, expenses and changes in fund balance and of changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the balance sheets do not include amounts for furniture and fixtures, equipment, and leasehold improvements purchased and currently in use which is not in accordance with generally accepted accounting principles; such amounts are not depreciated, but included in the statement of revenue, expenses and changes in fund balance in the year acquired.

In our opinion, except for the omission of fixed assets and depreciation in the financial statements as explained in the preceding paragraph, the accompanying financial statements present fairly the financial position of the Association at December 31, 1980 and 1979 and the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins + Sells

March 4, 1981

ASSOCIATION OF ASBESTOS-CEMENT PIPE PRODUCERS

BALANCE SHEETS, DECEMBER 31, 1980 AND 1979

	NOTES	1980	1979
ASSETS			
CURRENT ASSETS:			
Cash:			
Checking accounts and on hand		$ 14,656	$ 1,023
Commercial paper and certificate of deposit		198,000	100,000
Savings accounts		23,832	18,322
Accounts receivable-Special Counsel		50,455	
Interest receivable		282	685
Total current assets		287,225	120,030
TRAVEL ADVANCES		600	600
PREPAID CHARGES		3,710	4,310
TOTAL ASSETS		$291,535	$124,940
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES:			
Accounts payable-Special Counsel		$ 44,825	
Accounts payable - other		46,214	$ 20,590
Pension contribution payable	4	8,850	7,800
Total current liabilities		99,889	28,390
UNEARNED INCOME		163,000	
FUND BALANCE:			
Designated special reserve	1	28,646	82,232
Undesignated			14,318
Total fund balance		28,646	96,550
TOTAL LIABILITIES AND FUND BALANCE		$291,535	$124,940

See notes to financial statements.

ASSOCIATION OF ASBESTOS-CEMENT PIPE PRODUCERS

STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1980 AND 1979

	NOTES	1980	1979
REVENUE:			
Membership dues		$429,990	$379,995
Interest		30,839	27,255
Sales of research, education, and promotion materials	3	2,037	8,351
Conference fees		8,300	10,739
Assessments - Special Counsel		82,951	
Other		258	244
Total revenue		554,375	426,584
EXPENSES:			
Compensation			
Staff salaries		139,980	126,475
Deferred salary expense	2		2,382
Part-time personnel		1,496	1,303
Payroll taxes		6,758	5,995
Employee group benefits		10,217	8,475
Pension expense	4	9,475	7,800
Total		167,926	152,430
Office Operating			
Office rent	5	14,018	13,666
Office supplies		4,284	3,577
Copying charges		7,541	7,007
Telephone and telegraph		5,880	6,258
Postage, express, and freight		5,004	5,592
Leasehold improvements and furniture		239	338
Total		36,966	36,438
General Operating			
Employees' expenses		38,063	35,508
Automobile expense		749	397
Board, committee, and meetings		48,454	32,146
Dues and contributions		1,752	1,305
Subscriptions and publications		3,154	3,078
Insurance		10,214	6,007
Personal property and other taxes		495	807
Total		102,881	79,248

	NOTES	1980	1979
Research, Education and Promotion			
Public Affairs Program		$115,359	$121,025
Technical Affairs Program		54,138	46,939
International Affairs Program		7,764	6,861
MIS programs		2,213	920
Non-priority programs			90
Total		179,474	175,835
Professional Services			
Legal-General Counsel		35,196	25,304
Audit and accounting		1,700	3,498
Statistical		8,450	8,160
Medical Advisory		4,681	
Total		50,027	36,962
Other			
Miscellaneous		2,054	783
Legal-Special Counsel		82,951	
Total		85,005	783
Total expenses		622,279	481,696
EXCESS OF EXPENSE OVER REVENUE		(67,904)	(55,112)
FUND BALANCE, BEGINNING OF YEAR	1	96,550	151,662
FUND BALANCE, END OF YEAR	1	$ 28,646	$ 96,550

See notes to financial statements.

ASSOCIATION OF ASBESTOS-CEMENT PIPE PRODUCERS

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1980 AND 1979

	1980	1979
SOURCES (APPLICATION) OF FUNDS:		
Excess of expenses over revenues	$(67,904)	$(55,112)
Increase in unearned income	163,000	
Decrease in travel advances and prepaid expenses	600	1,757
Total funds provided (used)	95,696	(53,355)
APPLICATION OF FUNDS:		
Decrease in deferred salary payable		(4,367)
INCREASE (DECREASE) IN WORKING CAPITAL	$ 95,696	$(57,722)
ANALYSIS OF CHANGES IN WORKING CAPITAL:		
Increase (decrease) in current assets:		
Cash	$117,143	$(43,790)
Accounts receivable - Special Counsel	50,455	
Interest receivable	(403)	(5,804
Total	167,195	(49,594)
Decrease (increase) in current liabilities:		
Accounts payable - Special Counsel	(44,825)	
Accounts payable - other	(25,624)	(328)
Pension contribution payable	(1,050)	(7,800)
INCREASE (DECREASE) IN WORKING CAPITAL	$ 95,696	$(57,722)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1980 AND 1979

1. ACCOUNTING POLICIES

- The financial statements of the Association have been prepared on the accrual basis of accounting except that the cost of furniture, fixtures, equipment and leasehold improvements are charged to expense in the year acquired rather than being capitalized and depreciated over their estimated service lives.

- The Association follows the practice of designating a portion of the fund balance for specified purposes.

  .. The designated fund represents accumulated interest income reduced in 1980 by project expenses of $84,000 approved by the Board of Directors. No expenses were charged to the reserve fund in 1979.

- The Association is exempt from federal income taxes; accordingly, no provision for income taxes is included in the financial statements.

2. DEFERRED SALARY PAYABLE

Under a three-year employment agreement with the President, commencing January 1, 1977, $2,000 of the President's total salary was deferred annually. The amount deferred was credited to the account of the President with interest at the rate of 6% a year. At December 31, 1979, all amounts deferred under the agreement, plus interest, had been paid to the President.

In December 1979, a new two-year employment agreement was entered into by the President and the Association. No provision for salary deferral is included in the new agreement.

3. PUBLICATION SALES

The Association follows the practice of charging companies for certain publications distributed to them. In 1979, the direct costs associated with printing and producing the publications were $8,034. This amount is included in expenses under market development and regulatory affairs.

4. PENSION PLAN

During 1979, the Association adopted a trusteed contributory pension plan covering substantially all of its employees. The plan requires the Association to make contributions equal to 10% of the annual compensation of eligible participants.

5. OPERATING LEASE

The Association has minimum annual rental obligations of approximately $12,000 for office space under lease agreements which expire November 30, 1981. The leases also provide for rental escalation payments based upon the Association's pro-rata share of increased building operating costs and real estate taxes.