NFRC gives you the information you need to compare the energy performance of windows, doors, and skylights – otherwise known as fenestration products – so you can make a more-informed purchasing decision.
Fenestration – Any opening in a building’s envelope, including windows, doors, and skylights
Windows are the silent workhorse in your home or building.

You cannot see it happening, but they are working hard. They are on the job all day – every day – helping to regulate the indoor temperature.

During the summer, better-performing windows reduce the amount of heat entering while still giving you plenty of natural light.

During the winter, they resist cold air and help you retain the heat you are generating inside. It is a constant tug-of-war.

If you are concerned about energy efficiency, it is important to know how windows, doors, and skylights perform – and NFRC has all the information you need.
About Us

The National Fenestration Rating Council (NFRC) is a 501 (c) (3) nonprofit organization that serves the public.

NFRC operates the nation’s largest independent, third-party rating and labeling system for the energy performance of fenestration products.

We were founded in 1989 to address concerns that some fenestration product manufacturers were making unsubstantiated claims about how much energy their products would save.

In 1992, Congress codified NFRC’s role as the nation’s organization for rating and labeling the energy performance of fenestration products in the National Energy Policy Act (EPAct).

Since its formation, NFRC has met the mandate of EPAct by creating a nationally recognized rating, certification, and labeling program that serves the public by providing fair, accurate, and credible energy performance ratings for windows, skylights, and doors.

Our procedures are referenced in national building codes maintained by the International Energy Conservation Code (IECC).

NFRC and ENERGY STAR®

NFRC’s ratings are also a prerequisite for participation in ENERGY STAR and other rebate programs.

Our program helps consumers compare the energy performance of windows, doors, and skylights – otherwise known as fenestration products – and choose the ones that will save energy while also making their homes and buildings more comfortable.

NFRC is a membership organization whose members include a variety of stakeholders, including architects, government and code officials, manufacturers, homeowners, and other not-for-profit organizations.
CEO Message

At the National Fenestration Rating Council (NFRC) our determination to serve our stakeholders’ needs motivates us to create solutions that drive innovation and social value.

New Vision

During 2015, we created a new vision to guide us toward accomplishing this goal. We defined ourselves as the leader in energy performance information, education, and certified ratings for fenestration products.

It is the inclusion of education that creates more value for those we serve. NFRC educates industry professionals on how to make the most of our programs while also educating the public on how to use them to compare fenestration product energy performance so they can make more informed purchasing decisions.

Conveying this knowledge helps both groups better understand how fenestration in homes and buildings contributes to the bigger picture of green building and sustainability while also delivering many health, human performance, and business benefits.

2015 Milestones

During 2015, NFRC’s emphasis on education accomplished more than just engaging our stakeholders. It allowed them to more fully engage their customers, colleagues, and clients, creating a value chain that cultivated interest in our programs and positioning us to reach some important milestones:

• Driving membership to an all-time high
• Positioning our Independent Verification Program (IVP) to meet its goal for testing ENERGY STAR certified product lines
• Increasing consumer awareness to the highest level in our history

Power of Perseverance

These results represent the impact of our perseverance, which was particularly evident this year as we navigated a transition in leadership. It is also evident throughout this year’s annual report, which showcases additional accomplishments that show the pioneering role NFRC continues playing in our industry.

The report highlights our ability to anticipate trends, align our expertise with our stakeholders’ needs, and build value into everything we do. It also underscores our staff’s creativity, determination, and strength, which enables NFRC to consistently break new ground and capitalize on emerging opportunities on the way to fulfilling our mission.

Sincerely,

Deb Callahan
CEO
Accomplishments

Highest Levels in our History

19% Consumer Awareness
300 Retailer Program Participants
278 Members
Looking Ahead: Our Path in 2016 and Beyond

Many people believe the transportation industry is the largest source of energy consumption in America, but it is actually buildings.

A recent study conducted by Lawrence Berkeley National Laboratory (LBNL) concluded that the amount of energy lost through inefficient windows is about $50 billion annually. Given this staggering cost and the significant room for improvement, fenestration energy performance is an important issue in today’s world.

The amount of energy lost through inefficient windows is about $50 billion annually.

How Much Can You Save?

According to ENERGY STAR, replacing old windows with ENERGY STAR certified windows lowers household energy bills by an average of 12 percent nationwide.

More than ever, design professionals and the public alike are placing increasing emphasis on green building, sustainable construction, and energy efficiency.

During 2016, NFRC will continue working to help reduce this $50 billion loss.

Moving Forward

We will investigate the specific needs in the commercial market to determine the potential for creating a ratings program that replicates our success in the residential market.

NFRC will also create a library of educational videos to help our stakeholders better navigate our program so they can gain the maximum benefits.

This is an important time in the fenestration industry. Sweeping regulatory changes, disruptive technologies, and increasingly stringent building codes are among the challenges all of us must address. NFRC is dedicated to collaborating with all of its stakeholders to develop programs that meet these challenges.

According to the International Organization of Standardization (ISO), standards are important because they help consumers by, “... providing guidance on the performance levels of finished products.”
NFRC’s energy performance rating label assures you the product is third-party certified.
Our Financial Picture

NFRC is lean and financially strong.

We successfully navigated the economic downturn and the slow recovery, maintaining the viability of our programs, protecting our brand, and investing in new technology through it all.

NFRC has no loans or long-term debt. We have increased our cash reserves, and our resilience led to exceptional financial performance over the last 12 months.

Moreover, NFRC voluntarily conducts an independent audit annually. While this is not required, it is good governance, and it provides some important benefits, including the following:

- Building our reputation as a credible, transparent organization
- Providing our stakeholders insight into our internal processes, ensuring our controls are strong, clear, and documented
- Affording protection against data breaches

Several key performance indicators speak to our strength.

- **Our reserves exceed our expenses.** We are positioned to withstand market fluctuations and capitalize on emerging opportunities. While the general rule is to have 25 percent of budgeted expenses in reserve, we have 66 percent, and it will likely rise to 75 percent in 2016.

- **We're using our resources efficiently.** The Better Business Bureau’s (BBB) standard for program expenses in relation to total expenses is 65 percent. NFRC has exceeded this amount by 10 percent for the past three years.

- **Our revenue exceeds our expenses.** NFRC is a good steward of its working capital and manages its business efficiently. The industry average for organizations of similar size is 1.9 percent, and NFRC exceeds this average at 6.7 percent.

- **We get more done with less.** The total revenue each one of our employees produces is $354,733. That's $138,262 higher than the industry average for organizations of similar size.

NFRC’s success in all these areas shows our current initiatives are strengthening our organization and allowing us to move forward.

Our strong financial standing positions us to create more value for our members by increasing our ability to take mission-related risks and to absorb or respond to temporary changes in our environment or circumstances.

In the pages that follow, you will find some highlights demonstrating how we are accomplishing this and also how we are serving you and the public.
NFRC meets its stakeholders’ needs by:

- Continually refining its programs
- Developing a strong network of business partners
- Ensuring financial viability, which provides resources for improvements, innovations, and growth

### Financial Health

#### Balance Sheet Summary

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<th>Assets</th>
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<tbody>
<tr>
<td>Current assets</td>
<td>$ 4,771,533</td>
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<tr>
<td>Property and equipment</td>
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<tr>
<td>Other assets</td>
<td>$ 710,093</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 6,473,905</strong></td>
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<table>
<thead>
<tr>
<th>Liabilities</th>
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<tbody>
<tr>
<td>Current liabilities</td>
<td>$ 372,558</td>
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<tr>
<td>Other liabilities</td>
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<tr>
<td>Net assets</td>
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<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$ 6,473,905</strong></td>
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### Statement of Activities

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<th>Revenue</th>
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<tbody>
<tr>
<td>Certification</td>
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<tr>
<td>Meetings &amp; workshops</td>
<td>$ 130,578</td>
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<td>Membership dues</td>
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<td>Other revenue</td>
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<td><strong>Total revenue</strong></td>
<td><strong>$ 5,664,524</strong></td>
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<table>
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<th>Expense</th>
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<td>Program services</td>
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<tr>
<td>Meetings &amp; workshops</td>
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<tr>
<td>Supporting services</td>
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<tr>
<td><strong>Total expense</strong></td>
<td><strong>$ 5,296,225</strong></td>
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</table>

**Change in net assets**   $ 368,299
NFRC is the only fenestration product certification program the EPA recognizes for ENERGY STAR.
NFRC encourages the work of the following organizations:

- U.S. Department of Energy
- U.S. Environmental Protection Agency
- U.S. Green Building Council
- Lawrence Berkeley National Laboratory
- American Society for Testing and Materials
- American Society of Heating, Refrigeration, and Air-Conditioning Engineers
- American Institute of Architects
- National Institute of Building Sciences
- Canadian Standards Association
Product Certification Program (PCP)

The PCP is NFRC’s flagship program. It establishes the testing standards for determining fenestration product energy performance. These standards assure the public that all products are tested using the same standards – making the ratings displayed on NFRC’s energy performance rating label fair, accurate, and credible.

Much of NFRC’s work focuses on refining the PCP, enabling our members to implement ideas that make it more accessible, valuable, and meaningful to the public. This commitment is evident in the number of members who dedicate their time to improving it.

Refining the PCP includes improving testing methods, which reduces costs by closing loopholes. It also includes simplifying procedures for managing and transferring data, improving the viability of NFRC’s certified products directory.

NFRC provides the public with quality assurance by reviewing and confirming energy performance ratings prior to labeling. During 2015, NFRC conducted over 3500 simulation reviews and provide certification to over 700 manufacturers. To date, NFRC and its licensed inspection agencies have conducted over 1250 inspections to ensure products are labeled accurately.

NFRC is also an American National Standards Institute (ANSI) Accredited Standards Developer (ASD).

Independent Verification

NFRC builds additional value into the PCP through independent verification. This ensures a match between ENERGY STAR ratings and NFRC ratings, offering the public additional protection.

During 2016, we will complete the testing of 10 percent of ENERGY STAR certified product lines for the first time, meeting the Environmental Protection Agency’s (EPA) goal and achieving an important milestone for NFRC.
Commercial Certification Program

NFRC is in its seventh year of providing a software-based certification program for commercial projects.

During 2015, we implemented improvements, allowing users to calculate energy performance ratings faster. It is through this existing program that NFRC seeks to develop a robust program for the commercial sector.

We plan to accomplish this, in part, by collaborating with fenestration industry and design-build professionals to expand our reach in the commercial market.

International Outreach

NFRC ratings contribute to green construction and sustainability across the country and around the globe.

During 2015, we met with representatives from Japan and South Korea to convey the value of establishing a fenestration product energy performance rating program in their countries.

NFRC has also facilitated international harmonization by assisting India and South Africa with developing ratings procedures.

We have also assisted the Australian Fenestration Rating Council (AFRC) with rating and labeling over 90,000 products using NFRC-based simulation techniques.

NFRC encourages using fenestration products to help make homes and buildings more energy efficient – across the country and around the globe.
Marketing and Communications

The marketing and communications department protects and strengthens NFRC’s greatest asset – its reputation.

We accomplish this by engaging and educating our stakeholders about the value of our programs while also tracking industry trends and public sentiment so we can bring vital information back into the organization for analysis and action.

Our work provides a core strategic function that furthers NFRC’s mission by building relationships and alliances that improve our relevance.

One way we communicate with our stakeholders is through trade shows, including the following:

- National Association of Home Builders’ International Builders Show
- Greenbuild
- Glass Association of North America’s Building Envelope Conference
- American Institute of Architects’ National Convention
- Glassbuild
- Win-Door
The marketing and communications department also strengthens NFRC’s reputation through fenestration industry publications:

- Window & Door
- e-Glass Weekly
- U.S. Glass Network

Alliances with organizations that serve the public include:

- Better Business Bureau
- Consumers Union
- National Consumers League

NFRC’s level of consumer awareness has risen steadily since our beginning in 1989.

Our success comes not from distributing more information to more people more frequently but from getting the right message to the right person at the right time.

Because our information is inherently technical, we focus on simplifying it for our stakeholders.

**Organizations that Simplify Decision Making Are:**

- More likely to be chosen: 86%
- More likely to be recommended: 115%
Occupant behavior is the single biggest factor impacting energy consumption.

NFRC helps people understand the vital role fenestration products play in making homes and buildings more comfortable and more energy efficient while delivering many health and human performance benefits.
Meetings and Membership

NFRC holds two meetings each year – a spring committee meeting and a fall membership meeting.

The primary benefit of being an NFRC member is that it gives you a voice and a vote, enabling you to participate in our consensus-based process.

Each member company gets one vote, and each vote carries equal weight – whether you’re a small business owner or among the largest manufacturers.

When your ideas get voted into action, you’ll enjoy the satisfaction of knowing that you’re creating positive changes in our industry. You will see, through your own experience, that one person makes a difference.

Throughout NFRC’s history, improvements have been made by those who organized, networked, joined forces, expressed their opinions openly – and voted.

NFRC’s membership program identifies emerging opportunities and develops and executes plans for recruiting and retaining members.

The meetings and membership department also provides educational products and services that allow people to become more effective and engaged members. This program has consistently helped our members work more effectively and efficiently.

In fact, the companies who become members tend to remain members.
Collaboration – A Time-Honored Theme at NFRC

The fenestration industry of the future cannot be served by the organization of the past. Our consensus-based process relies on our stakeholders’ expertise in science, engineering, and technology to continue providing value. They deliver the insight that leverages individual talent into collective, ongoing success.

While NFRC is a ratings organization, we are also in the relationship business. The more effectively we collaborate, the better we serve our stakeholders, improve our reputation, and increase our relevance.

The old adage, “Two heads are better than one,” has persisted for a good reason. More effective problem solving happens by combining talent, experience, and infrastructure.

Opportunities Ahead

By maximizing these resources, NFRC re-energizes its connection with established stakeholders and constantly reaches new ones. This kind of collaboration makes NFRC a learning organization. Each time we collaborate, we optimize our capacity to step outside our comfort zone and grow to new heights.

NFRC believes in preserving the best of the past while anticipating the future. Our determination to succeed and willingness to break new ground was evident throughout 2015, and it will guide us during 2016.

The fenestration industry and the bigger arena of green building and sustainability are being reshaped through education and technology, creating new opportunities for NFRC to lead the way.

Good ideas can come from anywhere. The more voices we hear, the better.

We welcome you to join us.
NFRC gives you the information you need to compare the energy performance of windows, doors, and skylights – otherwise known as fenestration products – so you can make a more-informed purchasing decision.

www.nfrc.org

www.windowratings.org