



THE IEC FOUNDATION

2007 ANNUAL REPORT

THE YEAR IN REVIEW

FROM THE CHAIRMAN, BY JEFF HEITKER



Like me, you may have heard about the shortage of workers in the electrical industry which is impacting the available workforce now and is predicted to worsen in the future. But, like most small business owners in this industry, we struggle daily to meet the opportunities and challenges presented to all.

Data shows that the construction industry will need to add 185,000 to 250,000 new workers annually for the next 10 years to offset the wave of workers expected to retire. According to the U.S. Bureau of Labor Statistics projections, by the year 2014 the national need for electrical workers will rise to more than 90,000. This is just one of the challenges that our industry will face in the next 10 years.

Founded in 1996, the Independent Electrical Contractors Foundation (IECF) has provided nearly \$2.5 million in cash and equipment to IEC training centers across the country. The IECF mission is to fund, promote, and support educational opportunities in the electrical and communications industry.

Last year alone, the IEC Foundation distributed over \$425,000 of product via equipment grant process to IEC Training Centers, more than \$62,000 in cash grants, \$30,000 to supplement resources needed by IEC Chapters to implement the new first-year apprentice curriculum and established an Endowment Fund, the purpose of which is to build a source of funds that is permanently invested. Earnings from this Fund will generate revenue (in the form of interest/dividends) funding long-term solutions for programs that focus on workforce shortage and development as well as address future problems that we will inevitably face.

With your support, the IEC Foundation will always be there to help IEC training centers and subsequently their members, succeed. Please consider the IEC Foundation as you allocate your charitable dollars. You will be investing in the electrical industry, AND you will be investing in your future. For more information on how you can help, please contact me at (513) 717-2690 or Barbara Duncan at (502) 417-0157.

***Thank you for all you do
to support your IEC Foundation!***



THANKS TO OUR DONORS—2007

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The Home Depot *
Square D/Schneider
Electric Company

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Cincinnati



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Donor
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and Annual Fund
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\$100 - \$499

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Up to \$99

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2007 CASH & EQUIPMENT GRANT RECIPIENTS

\$50,000 and above

IEC Chesapeake
 IEC Florida West Coast
 IEC Utah
 IEC Washington State
 WECA

\$25,000 - \$49,999

IEC Atlanta
 IEC Arizona
 IEC Greater St. Louis
 IEC Mid-Oregon

Up To \$25,000

IEC Centex
 IEC Central Alabama
 IEC Central Ohio
 IEC Central Pennsylvania
 IEC Dakotas
 IEC Georgia
 IEC Greater Cincinnati
 IEC Greater Montana
 IEC Kansas City
 IEC - KECA
 IEC Mid-South
 IEC Montana
 IEC New England
 IEC Oregon
 IEC Rio Grande Valley
 IEC Southern Colorado
 IEC San Antonio
 IEC Southern New Mexico
 IEC Western Reserve
 IEC Wichita

2007 STATEMENT OF FINANCIAL POSITION

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash and cash equivalents	\$312,505	\$146,069
Certificates of deposit	-	201,652
Investments	507,361	407,532
Unconditional promises to give	247,943	62,227
Other assets	45	773
TOTAL ASSETS	<u>\$1,067,854</u>	<u>\$818,253</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$9,620	\$13,013
Due to affiliate	<u>(1,619)</u>	<u>2,627</u>
Total liabilities	\$8,001	\$15,640
Net Assets		
Unrestricted	749,271	764,736
Temporarily restricted	20,697	37,877
Permanently restricted (Endowment)	<u>289,885</u>	<u>-</u>
Total net assets	<u>\$1,059,853</u>	<u>\$802,613</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,067,854</u>	<u>\$818,253</u>



SUPPORTING THE NEW IEC CURRICULUM

With the release of IEC's newly revised first-year electrical apprenticeship curriculum in the Fall of 2007, the use of computers, software and audio/visual equipment was required to fully implement the learning experience. The IEC Foundation Board of Trustees approved funding in the amount of \$30,000 to support the acquisition of this equipment and software at Chapter level with which to help provide:

- Computers for IEC Training Center classrooms to present the new curriculum
- Digital projection systems and screens for the classrooms
- Microsoft PowerPoint and ExamView Software, and
- Instructor Resource Guides

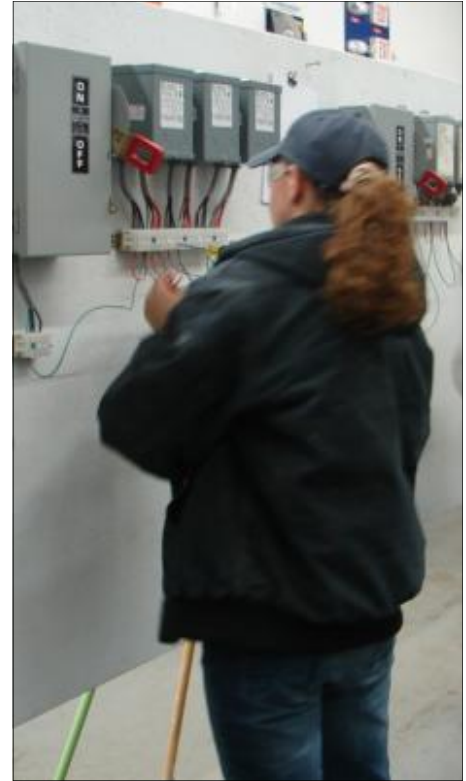
These training aids were required in order to provide IEC apprenticeship students with the latest techniques for computer animation, instructional aids, manufacturer literature downloads from the Web, computerized test banks, and more.

Today's students are better oriented to the use of computers and multimedia presentations. They aren't satisfied with lectures and reading assignments.

The use of computers by instructors in IEC Chapters is growing and this media is being used to produce tests, show video clips, and provide video projection capability, instant analysis of student feedback using remote keypads, and ease in compiling students' comprehension of the material presented. Biometric scanners (using fingerprints) are even being used to track attendance.

Timeline for the introduction of 2nd, 3rd year curriculum (to be introduced for classes beginning in the Fall of 2008, and 4th year curriculum (to be introduced for classes beginning in the Fall of 2009) will require each chapter be connected to the Web as well as using a full complement of computer and audio-visual products.

In order to ease the transition and enable IEC Chapters to be in full production for the new apprenticeship training curriculum, the IEC Foundation stepped up to the plate to help Chapters with the cost of these materials.



IEC Atlanta
IEC CenTex
IEC Central Ohio
IEC Central Pennsylvania
IEC Chesapeake
IEC Florida West Coast
IEC Georgia
IEC Greater Cincinnati

IEC Greater St. Louis
IEC Greater Montana
IEC Kansas City
IEC Mid-South
IEC New England
IEC Oregon
IEC Rio Grande Valley
IEC San Antonio

IEC Southern Colorado
IEC Southern New Mexico
IEC Utah
IEC Washington State
IEC Western Reserve
IEC Wichita
KECA
WECA



IEC RIO GRANDE VALLEY

With the help of IEC Foundation funding and resources, Rio Grande Valley IEC purchased laptop computers and PLC Software used by apprenticeship students. This enabled students to make diagrams and layouts on their own, and develop a better

understanding of the concepts they are learning in class.

Additionally, lab equipment such as starters and start/stop stations, along with wire and bolts were purchased to greater enhance the learning experience of apprentices.



IEC FLORIDA WEST COAST

The IEC Foundation provides funding and resources to IEC Chapters to recruit, train and employ individuals in the electrical trade. Part of our efforts are ensuring that youth and young adults, and those who come from at-risk backgrounds, or who have certain disabilities get career training and subsequently excellent jobs in our industry. Through a grant to Florida West Coast

Chapter, a concerted effort is being made to reach those who, until now, had not considered the electrical field a good career option. This program is finding outstanding success and through our joint efforts with Florida West Coast Chapter the necessity to alleviate the community's need for skilled trades people is being addressed.



WECA

Notable among the equipment received in 2007 were items used introducing Programmable Logic Controllers (PLC) to students enrolled in the 4th and 5th year commercial apprentice program in both Sacramento and San Diego training labs. Donations such as these help training centers expand and improve student training.

WECEF Director, Kelsi Charlesworth said, "WECA-IEC's main objective is to produce the best electricians in the industry. With the IEC Foundation's help we are excelling in the business

of training highly skilled merit shop electricians! From entry-level electrician, to journeyman, to foreman, we support our member contractors and member contractor employees with labs built from the IEC Foundation Equipment Grants Program."

"It is our core belief that this segment of training helps men and women achieve successful careers in the electrical industry. Without the support and spirit of cooperation that exists among IEC and member contractors, manufacturers and suppliers, we would not be able to meet and exceed our goals."

THE ENDOWMENT - INVESTING IN OUR FUTURE

In an effort to address the problems of workforce development and the continued need for quality trained workers in the electrical field, the IEC Foundation Board of Trustees directed the establishment of an Endowment Fund in 2007. The purpose of the endowment is to build a source of funds that is permanently invested with earnings generating revenue in the form of interest and dividends to fund long-term solutions addressing workforce shortage and development. Investment income earned on the assets of the endowment will be used to support IEC training center programs.

An endowment fund is different from a special fund or campaign. Gifts to special funds are used entirely for a designated purpose and may be intended to become depleted. An endowment is historically understood as a fund from which only earnings are distributed. The term "earnings" is generally used as a synonym for "profits;" and a more appropriate accounting term is "income." Ordinary income generally refers only to interest and dividends. Income may also include capital gains (realized gains) from the sale or other disposition of the assets and the change in the market value of investments (unrealized gains).

The IEC Foundation Endowment Fund will only expend ordinary income. For example, a \$1,000 gift to the endowment is permanently invested in the fund and only the interest or a portion thereof is used for the Foundation's mission and work.

There are two primary ways to make a gift to the IEC Foundation Endowment Fund, either by cash or a bequest in your estate. To support a mission that will benefit



from your gift now you may consider an outright gift to the Endowment Fund through assets such as cash, securities, or property. A gift that will benefit in the future can be made by a bequest in your will or trust, by naming the IEC Foundation Endowment Fund as the beneficiary of a retirement account, insurance policy, or another type of asset.

There are multiple benefits in contributing to the IEC Foundation Endowment Fund whether you are looking for a simple charitable income tax deduction, an opportunity to avoid tax on capital gains, protecting your assets and financial flexibility, creating a hedge against inflation or protecting your estate from high taxes. Each of these options has a real benefit to you and to the mission and work of the IEC Foundation.



At the 2007 IEC Convention in Houston, IECF Chairman of the Board Jeff Heitker, presented both Eaton Cutler-Hammer (represented by Wayne Foley, left) and Square D/Schneider Electric (represented by Mike Montanari, right) with the prestigious IEC Foundation Chairman's Council Award for \$1 million plus in contributions.

ANSWERING THE CALL TO SERVE

In memory of Tom Jones, former Executive Director of IEC Fort Worth/Tarrant County, Texas, who passed away during the summer of 2006 after a long battle with cancer, the IEC Foundation contributed awards to two national organizations that work diligently to fight the battle to both cure cancer and help those who are the survivors.



A \$7,500 grant was made to the National Prostate Cancer Coalition, and a \$7,500 grant was made to Living Beyond Breast Cancer, both in memory of Tom. One of the goals of the IEC Foundation is to improve the quality of life and create a better world for all of us.



TOM JONES



Living Beyond Breast Cancer

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YOU CAN HELP!

Send your tax-deductible gift to the address below, payable to the IEC Foundation. If you'd like to use a credit card or be billed in installments many options are available.

Please contact
Foundation Coordinator
Barbara Duncan at
(502) 417-0157.

THE IEC FOUNDATION

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