

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2012 AND 2011

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Independent Auditor's Report

To the Board of Directors
Independent Electrical Contractors Foundation
Alexandria, VA

We have audited the accompanying statements of financial position of Independent Electrical Contractors Foundation (the "Foundation"), a nonprofit organization, as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Electrical Contractors Foundation
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Independent Electrical Contractors Foundation as of December 31, 2012, and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.

Debis, Jones & Marasca, P.A.

August 30, 2013
Washington, DC

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 131,159	\$ 137,524
Pledges receivable	66,071	30,878
Due from affiliate	3,351	-
Total Current Assets	200,581	168,402
FURNITURE AND EQUIPMENT		
Furniture and equipment	4,182	4,182
Accumulated depreciation	(4,182)	(4,182)
Furniture and equipment, net	-	-
NON-CURRENT ASSETS		
Investments	957,420	857,840
TOTAL ASSETS	\$ 1,158,001	\$ 1,026,242
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 8,190	\$ 5,977
Due to affiliate	-	10,923
Total Current Liabilities	8,190	16,900
NET ASSETS		
Unrestricted	735,137	638,464
Temporarily restricted	24,589	5,793
Permanently restricted	390,085	365,085
Total Net Assets	1,149,811	1,009,342
TOTAL LIABILITIES AND NET ASSETS	\$ 1,158,001	\$ 1,026,242

See independent auditor's report and accompanying notes to the financial statements.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Meetings and events	\$ 54,258	\$ -	\$ -	\$ 54,258
Contributions and grants	142,961	178,656	25,000	346,617
In-kind contributions	249,940	-	-	249,940
Investment income	96,154	9,021	-	105,175
Net assets released from restrictions	168,881	(168,881)	-	-
Total revenue and support	<u>712,194</u>	<u>18,796</u>	<u>25,000</u>	<u>755,990</u>
EXPENSES				
Program services:				
Training equipment and education	354,850	-	-	354,850
Scholarships	41,600	-	-	41,600
Total program services	<u>396,450</u>	<u>-</u>	<u>-</u>	<u>396,450</u>
Supporting services:				
Management and general	219,071	-	-	219,071
Total expenses	<u>615,521</u>	<u>-</u>	<u>-</u>	<u>615,521</u>
CHANGE IN NET ASSETS	96,673	18,796	25,000	140,469
NET ASSETS:				
Beginning of year	<u>638,464</u>	<u>5,793</u>	<u>365,085</u>	<u>1,009,342</u>
End of year	<u>\$ 735,137</u>	<u>\$ 24,589</u>	<u>\$ 390,085</u>	<u>\$ 1,149,811</u>

See independent auditor's report and accompanying notes to financial statements.

**INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Sponsorships	\$ 36,530	\$ -	\$ -	\$ 36,530
Contributions and grants	62,911	87,050	5,000	154,961
In-kind contributions	316,217	-	-	316,217
Investment income	22,477	195	-	22,672
Net assets released from restrictions	126,981	(126,981)	-	-
Total revenue and support	<u>565,116</u>	<u>(39,736)</u>	<u>5,000</u>	<u>530,380</u>
EXPENSES				
Program services:				
Training equipment and education	425,519	-	-	425,519
Scholarships	40,000	-	-	40,000
Total program services	<u>465,519</u>	<u>-</u>	<u>-</u>	<u>465,519</u>
Supporting services:				
Management and general	159,332	-	-	159,332
Total expenses	<u>624,851</u>	<u>-</u>	<u>-</u>	<u>624,851</u>
CHANGE IN NET ASSETS	(59,735)	(39,736)	5,000	(94,471)
NET ASSETS:				
Beginning of year	<u>698,199</u>	<u>45,529</u>	<u>360,085</u>	<u>1,103,813</u>
End of year	<u>\$ 638,464</u>	<u>\$ 5,793</u>	<u>\$ 365,085</u>	<u>\$ 1,009,342</u>

See independent auditor's report and accompanying notes to financial statements.

**INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 140,469	\$ (94,471)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Net depreciation (appreciation) in investments	(99,580)	7,858
Decrease (increase) in assets:		
Accounts receivable	-	95
Pledges receivable	(35,193)	41,072
Due from affiliate	(14,274)	36,024
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,213	(15,103)
Net Cash Provided by (Used for) Operating Activities	(6,365)	(24,525)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	(67,498)
Net Cash Used for Investing Activities	-	(67,498)
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,365)	(92,023)
 CASH AND CASH EQUIVALENTS, beginning of year	137,524	\$ 229,547
 CASH AND CASH EQUIVALENTS, end of year	\$ 131,159	\$ 137,524

See independent auditor's report and accompanying notes to the financial statements.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE A – NATURE OF THE ORGANIZATION

The Independent Electrical Contractors Foundation (the “Foundation”) was formed in 1996 to fund, promote, and support educational opportunities in the electrical and communications industries. As a responsible partner and stakeholder in the electrical industry, the Foundation is dedicated to improving the profession and quality of life in the community at-large.

The following is a general description of the program activities:

Endowment - The education of future electricians and technicians is the main priority of the Foundation. Earnings from the Endowment Fund will fund grants for IEC Chapters nationwide to continue educating future electricians and technicians with the latest technology. The Independent Electrical Contractors, Inc. (“IEC”) members need skilled, well-trained workers, and qualified competent managers. The IEC training centers require up-to-date equipment, training aids, curriculum and books, classrooms, labs, and instructors to provide quality education.

Training Equipment and Education - The Foundation provides opportunities for introducing and guiding men and women to successful and satisfying careers in the electrical and communications industries through equipment grants for use by local training and education centers.

Scholarships – The Foundation awards scholarships to deserving and qualified students who have demonstrated drive, dedication, and leadership in their pursuit of careers in the electrical industry. The Foundation’s scholarships are offered to IEC members and their immediate families who plan to pursue post-secondary education in college or state accredited apprenticeship programs.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The accompanying financial statements are those of the Foundation and are not intended to be the financial statements of the primary reporting entity. The financial statements of the primary reporting entity include Independent Electrical Contractors, Inc. (“IEC”) and its affiliates on a consolidated basis. These financial statements should be read in conjunction with IEC’s consolidated financial statements.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Presentation – continued

Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts and Pledges Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Pledges receivable are due from donors. Pledges that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection of information, and existing economic conditions. As a result of these reviews, allowances are recorded for customer balances deemed to be uncollectible. The Organization believes all receivable are collectible. Therefore, no allowance for bad debts has been established as of December 31, 2012 and 2011.

Investments

Investments in marketable securities, such as mutual funds, are stated at fair value based on quoted market prices. Cash and certificates of deposit are reported at fair value, which equals cost. Investment income is included as an increase in unrestricted net assets in the accompanying statement of activities unless donor restrictions apply.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value as of the date of donation. Expenditures greater than \$1,000 that significantly improve or extend the life of an asset are capitalized, while repairs and maintenance are expensed. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally five to seven years.

In-Kind Contributions

In-kind contributions are recorded at fair value of the services or items received. The Foundation recognizes in-kind contributions that create or enhance non-financial assets, or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Revenue Recognition

Contributions including unconditional promises to give are recognized as revenue in the period in which they are received. Grants are recognized as revenue in the period in which such promises or agreements are made, generally when the agreements have been received. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the estimated future cash flow.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE C – INCOME TAXES

The Foundation is a 501(c)(3) organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code except on business income unrelated to the Foundation's exempt purpose, and has been classified as other than a private foundation.

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to being sustained. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation's tax returns are subject to examination by the Internal Revenue Service after a period of three years from the date they were filed, except under certain circumstances. The Foundation's income tax returns for the years 2009 through 2011 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

NOTE D – PLEDGES RECEIVABLE

Pledges receivable, recorded in the statements of financial position totaled \$66,071 and \$30,878 as of December 31, 2012 and 2011, respectively, and were all due within one year.

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priorities to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs are based on unadjusted quoted prices for identical assets traded in active markets that the Foundation has the ability to access.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

Level 2 Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds: Valued at the net asset value of shares held at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Equity Mutual funds	\$ 957,420	\$ -	\$ -	\$ 957,420

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
 (continued)

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS – continued

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	<u>\$ 857,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 857,840</u>

Investment income consists of the following for the year ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 23,302	\$ 30,530
Net appreciation (depreciation) in fair value of investments	<u>81,873</u>	<u>(7,858)</u>
Total Investment Income	<u>\$ 105,175</u>	<u>\$ 22,672</u>

NOTE F – IN-KIND CONTRIBUTIONS

The Foundation recognizes contribution revenue and expenses for donated in-kind goods and services received, at the fair value of those services. For the years ended December 31, 2012 and 2011, donated goods and services revenue and expense totaled \$249,940 and \$316,217, respectively.

NOTE G – RELATED PARTY TRANSACTIONS

The Foundation provides education and training programs that allow apprentices the opportunity to gain valuable training they need to become professional electricians and join the workforce. IEC collected revenue on behalf of the Foundation, which was not paid as of year end. The amount due from IEC totaled \$3,351 as of December 31, 2012, and the amount due to IEC totaled \$10,923, as of December 31, 2011.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent contributions that are restricted by the donor as to either purpose or time. Temporarily restricted net assets consist of the following:

	<u>Balance at</u> <u>December 31, 2011</u>	<u>Contributions and</u> <u>Investment income</u>	<u>Release from</u> <u>Restrictions</u>	<u>Balance at</u> <u>December 31, 2012</u>
Chapter Education	\$ 13,573	\$ 92,606	\$ (102,760)	\$ 3,419
Endowment				
activities	(13,343)	45,792	(22,521)	9,928
Scholarship	5,563	86,050	(43,600)	48,013
	<u>\$ 5,793</u>	<u>\$ 224,448</u>	<u>\$ (168,881)</u>	<u>\$ 61,360</u>

NOTE I - ENDOWMENT

The Foundation's endowment consists of funds contributed as a permanent source of income for the IEC Training Centers located throughout the United States.

Interpretation of Relevant Law

The Foundation has interpreted the *Uniform Prudent Management of Institutional Funds Act of 2008* (UPMIFA) enacted by the General Assembly of the Commonwealth of Virginia as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in the manner consistent with the standard of prudence prescribed by the *Uniform Prudent Management of Institutional Funds Act of 2008* (UPMIFA).

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE I – ENDOWMENT – continued

UPMIFA was enacted to provide uniform and fundamental rules for the investment of funds held by charitable institutions and the expenditure of funds donated as “endowments” to those institutions and applies to the Foundation because it is a Virginia non-profit corporation.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General socioeconomic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policy of the Foundation.

Earnings on endowment assets earnings will be distributed as follows per the Foundation’s manual of procedures: 50% of interest and dividends will be distributed in annual grants, and the remaining 50% to be used by the Board for other grants, scholarships, and reinvestments into the endowment fund. Grant funds will not be distributed based on appreciation of endowment earnings.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies Employed for Achieving Objectives

To satisfy its investment objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent constraints.

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE I – ENDOWMENT - continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of maintaining the full historical value of the permanently restricted endowments. The full investment portfolio is invested using an asset allocation mix with a range of 40 to 65% equities, 20 to 50% fixed income and up to 20% cash, per the Board approved investment policy, in an effort to generate funds to cover the endowment’s long-term spending targets. The investment portfolio is managed by Merrill Lynch.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Foundation. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. The deficiency as of January 1, 2010 was replenished through net appreciation for the year ended December 31, 2011. There was a deficiency of \$13,343 as of the year ended December 31, 2012.

Endowment net asset composition consists of the following at December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments designated for Endowment	<u>\$ -</u>	<u>\$ 9,928</u>	<u>\$ 390,085</u>	<u>\$ 400,013</u>

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

Changes in endowment net assets consist of the following for the year ended December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets beginning of year	\$ (13,343)	\$ -	\$ 365,085	\$ 351,742
Contributions	-	-	25,000	25,000
Interest, net of fees	-	9,021	-	9,021
Net appreciation in fair value of investments	13,343	23,428	-	36,771
Appropriated for expenditures	-	(22,521)	-	(22,521)
Endowment net assets end of year	<u>\$ -</u>	<u>\$ 9,928</u>	<u>\$ 390,085</u>	<u>\$ 400,013</u>

Endowment net asset composition consists of the following at December 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments designated for Endowment	<u>\$ (13,343)</u>	<u>\$ -</u>	<u>\$ 365,085</u>	<u>\$ 351,742</u>

INDEPENDENT ELECTRICAL CONTRACTORS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(continued)

NOTE I – ENDOWMENT – continued

Changes in endowment net assets consist of the following for the year ended December 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets				
beginning of year	\$ -	\$ 6,119	\$ 360,085	\$ 366,204
Contributions	-	-	5,000	5,000
Interest, net of fees	9,396	-	-	9,396
Net depreciation in fair				
value of investments	(7,858)	-	-	(7,858)
Appropriated				
for expenditures	(14,881)	(6,119)	-	(21,000)
Endowment net assets				
end of year	<u>\$ (13,343)</u>	<u>\$ -</u>	<u>\$ 365,085</u>	<u>\$ 351,742</u>

NOTE J - SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation's management has evaluated events and transactions for potential recognition or disclosure through August 30, 2013, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.