

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS
LOCAL NO. 99**

**FINANCIAL STATEMENTS -
MODIFIED CASH BASIS**

DECEMBER 31, 2006



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

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FEELEY & DRISCOLL, P.C.
Certified Public Accountants/Business Consultants

The Board of Directors
International Brotherhood of Electrical Workers Local No. 99
Cranston, Rhode Island

Accountants' Review Report

We have reviewed the accompanying statement of financial position - modified cash basis of International Brotherhood of Electrical Workers Local No. 99 as of December 31, 2006, and the related statement of activities - modified cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of International Brotherhood of Electrical Workers Local No. 99.

A review consists principally of inquiries of Company personnel and analytical procedures applied to the financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 2.

February 17, 2007

FEELEY & DRISCOLL, P.C.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

Statement of Financial Position - Modified Cash Basis

December 31, 2006

Assets

Current assets:

Cash and cash equivalents	\$ 2,627,682
Prepaid insurance	1,132
Total current assets	<u>2,628,814</u>

Property and equipment:

Computer equipment and software	131,780
Furniture and fixtures	92,457
Automobile	19,350
	<u>243,587</u>
Less accumulated depreciation and amortization	186,858
	<u>56,729</u>

Other asset -

Investments in affiliate	450,000
	<u>450,000</u>
	<u>\$ 3,135,543</u>

Liabilities and Net Assets

Liabilities:

Due to related fund	\$ 31,795
Payroll taxes payable	3,076
Employee benefits payable	18,944
	<u>53,815</u>

Net assets:

Unrestricted	2,839,107
Temporarily restricted	242,621
	<u>3,081,728</u>
	<u>\$ 3,135,543</u>

See accompanying accountants' review report
and notes to financial statements.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

Statement of Activities - Modified Cash Basis

For the year ended December 31, 2006

	Unrestricted	Temporarily Restricted	Totals
Revenues and other support:			
Dues	\$ 246,273	\$ -	\$ 246,273
Working assessments	1,272,543	508,420	1,780,963
Interest income	92,103	-	92,103
Company functions	1,352	-	1,352
Other income	3,414	-	3,414
Subtotal revenues and other support	<u>1,615,685</u>	<u>508,420</u>	<u>2,124,105</u>
Net assets released from restrictions -			
Market recovery	501,919	(501,919)	-
Total revenues and other support	<u>2,117,604</u>	<u>6,501</u>	<u>2,124,105</u>
Expenses:			
Market recovery	501,919	-	501,919
Payroll	429,165	-	429,165
IBEW per capita	224,371	-	224,371
Employee benefits	171,472	-	171,472
Advertising expense	102,690	-	102,690
Professional fees	56,861	-	56,861
Miscellaneous	50,719	-	50,719
Meetings and conferences	47,723	-	47,723
Donations, charity and remembrances	46,322	-	46,322
Payroll taxes	45,516	-	45,516
Office supplies and expenses	39,282	-	39,282
Printing and postage	26,278	-	26,278
Depreciation and amortization	26,240	-	26,240
Automobile expense	21,352	-	21,352
Building trades and association	19,754	-	19,754
Insurance	18,853	-	18,853
Telephone	18,003	-	18,003
Executive examining board	13,300	-	13,300
Rent expense	12,352	-	12,352
Merchandise	11,139	-	11,139
Dues and subscriptions	6,558	-	6,558
Computer expense	1,884	-	1,884
Scholarships	1,500	-	1,500
Total expenses	<u>1,893,253</u>	<u>-</u>	<u>1,893,253</u>
Change in net assets	224,351	6,501	230,852
Net assets at beginning of year	<u>2,614,756</u>	<u>236,120</u>	<u>2,850,876</u>
Net assets at end of year	<u>\$ 2,839,107</u>	<u>\$ 242,621</u>	<u>\$ 3,081,728</u>

See accompanying accountants' review report
and notes to financial statements.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

Notes to Financial Statements - Modified Cash Basis

December 31, 2006

Note 1 - Operations

The International Brotherhood of Electrical Workers Local No. 99 (the "Organization") is located in Cranston, Rhode Island. The Brotherhood was organized in 1891 in order to represent members in the electrical trade.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Basis of Presentation - The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis of accounting is primarily the cash receipts and disbursements method except for the accounting treatment of prepaid insurance, depreciation of property and equipment, related party activity and accrued employee payroll and benefits. Accordingly, accounts receivable and payable, which would ordinarily be recognized under accounting principles generally accepted in the United States of America, which may be material in amount, are not included in the financial statements.

Net assets are classified into permanently restricted and temporarily restricted, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives.

Unrestricted net assets represent amounts not restricted for identified purposes. These amounts are available to be used for the general purposes of the Organization.

Temporarily restricted net assets are those whose use by the Organization has been limited to a specific purpose.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents - The Organization considers all highly liquid financial instruments with an initial maturity of three (3) months or less to be cash equivalents.

Property and Equipment - All property and equipment are stated at cost. Major renewals, additions and betterments are charged to the property accounts, while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed in the year incurred.

See accompanying accountants' review report.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

Notes to Financial Statements - Modified Cash Basis - Continued

December 31, 2006

Note 2 - Summary of Significant Accounting Policies - Continued

Depreciation - Depreciation is computed using the accelerated and straight-line methods over the estimated useful lives of the related assets as follows:

<u>Asset</u>	<u>Life in Years</u>
Computer equipment and software	3-5
Furniture and fixtures	7
Automobile	5

Investments - Investments of the Organization are presented at fair value.

Income Taxes - The Organization is exempt from income taxes as a nonprofit organization under Section 501(c)(5) of the Internal Revenue Code.

Note 3 - Investments

The International Brotherhood of Electrical Workers Local No. 99 made capital investments totaling \$450,000 to the International Brotherhood of Electrical Workers Local Union 99 Realty Corporation.

Note 4 - Temporarily Restricted Net Assets

All of the restrictions on net assets are related to working assessments. Members of the International Brotherhood of Electrical Workers contribute 1.325% of their annual gross wages to the Organization. These assessments can only be used for market recovery purposes.

Note 5 - Related Party Transactions

The Organization leases its office from International Brotherhood of Electrical Workers Local 99 Realty Corporation, a related organization, as a tenant at will with monthly rental payments of \$1,544. Rent expense for the year ended December 31, 2006 was \$12,352.

Note 6 - Working Assessments

Members of the International Brotherhood of Electrical Workers contribute 3.825% of their annual gross wages to the Organization. Of this amount, two and one-half percent (2.5%) of their annual gross wages is considered unrestricted, and 1.325% is considered temporarily restricted (see Note 4).

See accompanying accountants' review report.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 99

Notes to Financial Statements - Modified Cash Basis - Continued

December 31, 2006

Note 7 - Employee Pension Plans

Payments on behalf of employees are made to the International Brotherhood of Electrical Workers Local No. 99 and International Affiliate Pension Plans totaling \$36,729.

Note 8 - Concentration of Credit Risk

The Organization has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The Organization had deposits of approximately \$2,497,557 in excess of the FDIC insured limit at December 31, 2006.

See accompanying accountants' review report.