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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

FINANCIAL STATEMENTS

For The Years Ended December 31, 2025 and 2024

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

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CBIZ CPAs P.C.

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Independent Auditors' Report

The Executive Committee of the Board of Governors of
National Electrical Contractors Association, Incorporated

Opinion

We have audited the financial statements of National Electrical Contractors Association, Incorporated (the "Association"), which comprise the statements of financial position as of December 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements are those of the Association only and are not those of the primary consolidated reporting entity. The consolidated financial statements of National Electrical Contractors Association, Incorporated and of its affiliates have been issued to the Executive Committee of the Board of Governors as the general purpose financial statements of the reporting entity and should be read in conjunction with these financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

CBIZ CPAs P.C.

Washington, DC
May 26, 2026

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENT OF FINANCIAL POSITION

December 31, 2025 and 2024

	General Fund	Board Designated Reserve Fund	2025	2024
Assets				
Cash and cash equivalents	$ 3,295,325	$ 1,365,125	$ 4,660,450	$ 2,896,038
Receivables				
Service charges receivable	2,818,320	--	2,818,320	2,701,738
Accounts receivable	1,007,896	--	1,007,896	741,387
Accrued interest and dividends	-	29,221	29,221	67,418
Due from affiliates	1,045,074	--	1,045,074	661,376
Inventory	76,679	--	76,679	125,576
Prepaid expenses and deposits	2,966,626	--	2,966,626	2,709,501
Investments	3,496,070	24,262,766	27,758,836	24,274,070
Assets held for deferred compensation plans	955,810	--	955,810	684,797
Total Current Assets	15,661,800	25,657,112	41,318,912	34,861,901
Pension Asset	3,532,768	2,549,290	6,082,058	4,584,948
Operating Lease Right of Use Asset	12,402,040	--	12,402,040	13,765,639
Property, Equipment and Intangible Assets				
Furniture, equipment and software	4,367,894	--	4,367,894	4,315,461
Learning management system	2,076,741	--	2,076,741	2,076,741
Leasehold improvements	2,652,247	--	2,652,247	2,652,247
	9,096,882	--	9,096,882	9,044,449
Less accumulated depreciation and amortization	(5,854,435)	--	(5,854,435)	(4,825,429)
Total Property, Equipment and Intangible Assets	3,242,447	--	3,242,447	4,219,020
Total Assets	$ 34,839,055	$ 28,206,402	$ 63,045,457	$ 57,431,508
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	1,860,376	$ --	$ 1,860,376	$ 2,341,467
Accrued vacation payable	1,304,392	--	1,304,392	1,241,916
Operating lease liabilities, current	1,534,555	--	1,534,555	1,537,191
Deferred revenue	2,640,807	--	2,640,807	2,349,316
Total Current Liabilities	7,340,130	--	7,340,130	7,469,890
Deferred compensation	955,810	--	955,810	684,797
Operating lease liabilities, non-current	15,516,035	--	15,516,035	17,039,274
Total Liabilities	23,811,975	--	23,811,975	25,193,961
Net Assets				
Without donor restrictions				
General fund	11,027,080	--	11,027,080	8,231,485
Board-designated reserve fund	--	25,657,112	25,657,112	22,246,832
Reserve for pension-related items not yet recognized as a component of net periodic pension cost	--	2,549,290	2,549,290	1,759,230
Total Net Assets Without Donor Restrictions	11,027,080	28,206,402	39,233,482	32,237,547
Total Liabilities and Net Assets	$ 34,839,055	$ 28,206,402	$ 63,045,457	$ 57,431,508

The accompanying notes are an integral part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2025

	General Fund	Board Designated Reserve Fund	Total
Activities Without Donor Restrictions			
Revenue			
Membership dues and service charges	$ 25,366,189	$ --	$ 25,366,189
Convention and expositions income	12,853,550	--	12,853,550
Advertising sales	3,772,444	--	3,772,444
Net investment income	507,083	3,410,280	3,917,363
Regional and ancillary meetings	4,463,630	--	4,463,630
Educational courses and workshops	1,707,763	--	1,707,763
Grants and other income	1,477,475	--	1,477,475
Sales of publications	373,470	--	373,470
Total Revenue	50,521,604	3,410,280	53,931,884
Expense			
Program Services			
Conventions, meetings and partnerships	12,631,531	--	12,631,531
Field service	8,137,795	--	8,137,795
Magazines	4,349,734	--	4,349,734
Industry development and public affairs	5,643,147	--	5,643,147
Labor relations services	3,221,473	--	3,221,473
Education	3,107,396	--	3,107,396
Codes, standards and safety	2,216,443	--	2,216,443
Government affairs	1,940,959	--	1,940,959
Total Program Services	41,248,478	--	41,248,478
Supporting Services:			
Governance	1,165,094	--	1,165,094
General and administrative	5,579,047	--	5,579,047
Total Supporting Services	6,744,141	--	6,744,141
Total Expense	47,992,619	--	47,992,619
Change in Net Assets Before Other Changes	2,528,985	3,410,280	5,939,265
Tax expenses	(60,490)	--	(60,490)
Net periodic benefit credit other than service cost	327,050	--	327,050
Other defined benefit changes	--	790,060	790,060
Gain on disposal of property and equipment	50	--	50
Change in Net Assets	2,795,595	4,200,340	6,995,935
Net Assets, Beginning of Year	8,231,485	24,006,062	32,237,547
Net Assets, End of Year	$ 11,027,080	$ 28,206,402	$ 39,233,482

The accompanying notes are an integral part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2024

	General Fund	Board Designated Reserve Fund	Total
Activities Without Donor Restrictions			
Revenue			
Membership dues and service charges	$ 22,547,120	$ --	$ 22,547,120
Convention and expositions income	12,495,160	--	12,495,160
Advertising sales	4,692,552	--	4,692,552
Net investment gain	215,732	1,915,167	2,130,899
Regional and ancillary meetings	4,802,405	--	4,802,405
Educational courses and workshops	1,340,012	--	1,340,012
Grants and other income	1,319,655	--	1,319,655
Sales of publications	492,506	--	492,506
Total Revenue	47,905,142	1,915,167	49,820,309
Expense			
Program Services			
Conventions, meetings and partnerships	12,143,558	--	12,143,558
Field service	8,207,332	--	8,207,332
Magazines	6,026,207	--	6,026,207
Industry development and public affairs	5,412,938	--	5,412,938
Labor relations services	2,730,629	--	2,730,629
Education	2,894,155	--	2,894,155
Codes, standards and safety	2,272,015	--	2,272,015
Government affairs	1,890,404	--	1,890,404
Total Program Services	41,577,238	--	41,577,238
Supporting Services:			
Governance	1,210,444	--	1,210,444
General and administrative	5,421,485	--	5,421,485
Total Supporting Services	6,631,929	--	6,631,929
Total Expense	48,209,167	--	48,209,167
Change in Net Assets Before Other Changes	(304,025)	1,915,167	1,611,142
Income tax expense	(84,529)	--	(84,529)
Net periodic benefit credit other than service cost	364,263	--	364,263
Other defined benefit changes	--	870,957	870,957
Loss on disposal of property and equipment	525	--	525
Interfund transfer	375,000	(375,000)	--
Change in Net Assets	351,234	2,411,124	2,762,358
Net Assets, Beginning of Year	7,880,251	21,594,938	29,475,189
Net Assets, End of Year	$ 8,231,485	$ 24,006,062	$ 32,237,547

The accompanying notes are an integral part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2025

	Program Services									Supporting Services		
	Conventions Meetings and Partnerships	Field Service	Magazines	Industry Development & Public Affairs	Labor Relations Services	Education	Codes Standards and Safety	Government Affairs	Total Program Services	Governance	General and Administrative	Total
Salaries and benefits	$ 2,506,075	$ 6,669,844	$ 898,927	$ 3,344,565	$ 2,298,210	$ 1,082,906	$ 1,012,289	$ 829,279	$ 18,642,095	$ --	$ 3,438,004	$ 22,080,099
Conference and meetings	7,657,377	73,016	55,790	320,757	57,362	411,076	371,539	290,998	9,237,915	608,296	18,194	9,864,405
Professional fees	1,389,641	274,548	1,530,220	442,834	168,982	805,541	162,324	267,851	5,041,941	7,508	497,241	5,546,690
Travel	383,123	749,591	30,130	132,468	254,850	186,647	293,132	165,067	2,195,008	515,693	477,385	3,188,086
Supplies, postage, and shipping	190,458	32,542	1,396,799	73,996	16,290	37,431	67,648	31,553	1,846,717	22,575	33,381	1,902,673
Occupancy	251,344	62,507	86,897	334,239	230,208	153,268	171,601	155,823	1,445,887	--	331,900	1,777,787
Depreciation	70,346	96,051	123,244	385,616	59,357	280,416	26,939	21,252	1,063,221	--	96,150	1,159,371
Technology	161,570	155,771	131,279	357,445	46,171	135,751	22,117	16,468	1,026,572	9,466	108,193	1,144,231
Miscellaneous	9,518	13,669	92,226	130,255	8,944	12,983	34,666	32,298	334,559	1,553	554,792	890,904
Dues and subscriptions	12,079	10,256	4,222	120,972	81,099	1,377	54,188	130,370	414,563	3	23,807	438,373
Total	$ 12,631,531	$ 8,137,795	$ 4,349,734	$ 5,643,147	$ 3,221,473	$ 3,107,396	$ 2,216,443	$ 1,940,959	$ 41,248,478	$ 1,165,094	$ 5,579,047	$ 47,992,619

The accompanying notes are an integral part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2024

	Program Services									Supporting Services		
	Conventions Meetings and Partnerships	Field Service	Magazines	Industry Development & Public Affairs	Labor Relations Services	Education	Codes Standards and Safety	Government Affairs	Total Program Services	Governance	General and Administrative	Total
Salaries and benefits	$ 2,373,969	$ 6,456,377	$ 1,134,719	$ 3,097,850	$ 1,816,753	$ 1,077,066	$ 919,018	$ 711,220	$ 17,586,972	$ --	$ 3,229,251	$ 20,816,223
Conference and meetings	6,973,715	57,680	485,512	375,409	183,409	301,641	392,626	358,043	9,128,035	523,701	13,488	9,665,224
Professional fees	1,388,055	138,463	2,336,715	564,404	140,598	636,686	282,351	289,744	5,777,016	51,399	567,530	6,395,945
Travel	549,922	935,267	52,185	258,658	320,609	132,707	390,882	183,507	2,823,737	610,366	253,204	3,687,307
Supplies, postage, and shipping	307,922	48,795	1,579,469	122,901	12,409	60,471	59,337	49,074	2,240,378	15,697	60,099	2,316,174
Occupancy	319,539	318,438	96,708	224,726	107,113	189,059	132,338	139,263	1,527,184	57	421,704	1,948,945
Depreciation	67,435	95,050	131,996	297,542	31,894	325,914	13,109	19,357	982,297	--	125,391	1,107,688
Technology	122,517	102,947	126,837	291,614	25,580	145,568	16,376	15,655	847,094	8,765	94,241	950,100
Miscellaneous	26,706	44,801	77,139	27,464	12,010	22,520	14,925	31,005	256,570	459	618,287	875,316
Dues and subscriptions	13,778	9,514	4,927	152,370	80,254	2,523	51,053	93,536	407,955	--	38,290	446,245
Total	$ 12,143,558	$ 8,207,332	$ 6,026,207	$ 5,412,938	$ 2,730,629	$ 2,894,155	$ 2,272,015	$ 1,890,404	$ 41,577,238	$ 1,210,444	$ 5,421,485	$ 48,209,167

The accompanying notes are an integral part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, INCORPORATED

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 6,995,935	$ 2,762,358
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,159,371	1,139,634
Gain on disposal of property and equipment	(50)	(525)
Receivable write-offs	450	9,813
Realized and unrealized gains	(3,174,629)	(1,492,774)
Amortization of operating lease right to use asset	1,363,599	940,001
Change in assets and liabilities:		
Receivables	(345,344)	12,288
Due from affiliates	(383,698)	861,341
Inventory	48,897	152,872
Prepaid expenses	(257,125)	(517,316)
Assets held for deferred compensation plan	(271,013)	(108,140)
Pension asset	(1,497,110)	(1,235,220)
Accounts payable and accrued expenses	(481,091)	(493,107)
Accrued vacation payable	62,476	119,473
Deferred revenue	291,491	136,370
Operating lease liabilities	(1,525,875)	(1,056,372)
Deferred compensation	271,013	108,140
Net Cash Provided by Operating Activities	2,257,297	1,338,836
Cash Flows From Investing Activities		
Proceeds from sales of investments	5,401,335	4,235,323
Purchases of investments	(5,711,472)	(5,238,994)
Purchases of property and equipment	(182,748)	(430,241)
Net Cash Used in Investing Activities	(492,885)	(1,433,912)
Net Increase (Decrease) in Cash and Cash Equivalents	1,764,412	(95,076)
Cash and Cash Equivalents, Beginning of Year	2,896,038	2,991,114
Cash and Cash Equivalents, End of Year	$ 4,660,450	$ 2,896,038
Supplemental Disclosures of Cash Flow		
Cash paid for income taxes	$ 60,490	$ 84,774

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

National Electrical Contractors Association, Incorporated (the "Association") was created in 1901 to represent, promote and enhance the management interests of its electrical contractor members through labor relations, education, management skill improvements, apprentice and journeyman training, marketing services, public relations, information, communication and creation of a better business environment; and to coordinate the collective activities of the electrical contracting industry in the area of government relations, technical standards, public relations, communication, information and business ethics. The Association's operations are mainly funded through membership, service, meetings and advertising fees.

A summary of the Association's significant accounting policies follows:

BASIS OF PRESENTATION

These financial statements are not intended to be the general purpose financial statements of the Association and have been prepared in conformity with accounting principles that would otherwise be considered a departure from accounting principles generally accepted in the United States of America ("U.S. GAAP") because certain affiliated organizations are not consolidated. The Association has also issued the consolidated statements of financial position of National Electrical Contractors Association, Incorporated and Affiliates as of December 31, 2024 and 2023, the related consolidated statements of activities, functional expenses and cash flows for the years then ended (none of which is presented herein). Such consolidated financial statements are the general purpose financial statements of the consolidated entity.

The Association follows the accounting requirements of the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958. Under FASB ASC 958, the Association is required to report information regarding its net assets and its activities according to two categories: (1) net assets without donor restrictions, and (2) net assets with donor restrictions.

WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. See Note 5 for further details about the Association's board-designated net assets.

WITH DONOR RESTRICTIONS

Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. The Association has no net assets with donor restrictions.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, the Association considers all highly liquid instruments, including repurchase agreements, which are to be used for current operations to be cash and cash equivalents. All other highly liquid instruments, which are intended for long-term purposes, are classified as investments.

INVESTMENTS

Investments with readily determinable fair values are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is charged or credited to current operations. The Association calculates realized gains and losses as the difference between the proceeds from the disposition of a security and its carrying value. Unrealized gains or losses are determined by comparison of the investment's acquisition cost to its fair value at year-end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

FAIR VALUE MEASUREMENT

In accordance with U.S. GAAP, the Association uses the following prioritized input levels to measure fair value. The input levels used for valuing investments and liabilities are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

RECEIVABLES

Trade receivables consist primarily of amounts owed from members for service charges and from customers as a result of the sale of advertising and other services. At each statement of financial position date, the Association recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The allowance estimate is derived from a review of the Association's historical losses based on the loss rate method. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Association. The Association believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as operations and conditions have remained reasonably consistent.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECEIVABLES (CONTINUED)

There was no allowance for credit losses for the years ending December 31, 2025 and 2024.

The Association writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Association's accounting policy election.

INVENTORY

Inventory is comprised primarily of publications and is stated at net realizable value.

PROPERTY, EQUIPMENT, AND INTANGIBLE ASSETS

Property, equipment and intangible assets are recorded at cost at the time of purchase. Intangible assets consist of development costs incurred for the learning management system and software. Major additions are capitalized while maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed currently. Depreciation and amortization is computed on the straight-line method at rates calculated to allocate the cost of the assets over their estimated useful lives, generally over the lease term for leasehold improvements, and three to 10 years for the learning management system, and furniture, equipment and software.

For the years ended December 31, 2025 and 2024, depreciation and amortization expense was $1,159,371 and $1,139,634, and is included in occupancy in the accompanying statements of functional expenses.

LEASES

The right of use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using the Association's estimated incremental borrowing rate or implicit rate, when readily determinable. The Association generally does not have access to the rate implicit in the lease, and therefore, the Association has elected to use the risk-free interest rate as the discount rate for computing lease liabilities. The asset is amortized on a straight-line basis over the lease term and is reflected as occupancy expense in the accompanying financial statements. The future lease obligation is reduced as cash payments are made under the terms of the lease. Interest is charged to occupancy expense for the difference. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position.

REVENUE RECOGNITION

Revenue includes membership dues and service charges, convention, expositions, meetings and educational courses, advertising and publications. These revenues have performance obligations and are considered contracts with customers.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Economic factors driven by consumer confidence, employment, inflation, natural disasters, and other world events impact the timing and level of revenue recognized by the Association. Periods of economic downturn resulting from any of the above factors may result in declines in revenue recognized by the Association, or can have a positive impact on cash flows in good economic times.

Membership dues and service charges relate to the benefits received in the calendar year that the revenue is recognized. Membership dues are a fixed annual amount. Service charges are calculated monthly by each member company based upon a formula of certain “man-hours” times a rate. Benefits include discounted convention registration, discounted publications, access to member only content on the Association’s website, labor relations services, advocacy, access to education and industry standards. All member benefits are considered one performance obligation and revenue is recognized ratably over the membership period as benefits provided to members are provided ratably throughout the period, which is on a calendar-year basis.

The Association holds events such as the annual convention, expositions, meetings and educational courses. There is a sliding scale of benefits provided to exhibitors commensurate with the fees paid. All performance obligations for attendees and exhibitors are satisfied at the time of the convention, meeting or educational course. Therefore, revenue is recognized at a point in time.

Sponsorship revenue is included in convention and expositions income in the statements of activities. Generally, sponsorship revenue is recognized at a point in time as meetings and events are taken place.

Advertising includes direct advertising revenue in the magazine, Electrical Contractor, digital ad sales and sponsored research. The performance obligation is to provide the ad. Revenue is recognized at the point in time the advertising takes place. The Association’s publication contract occurs when the member orders a publication. The performance obligation for the Association is to send the selected material to the purchasing member. The transaction price is displayed on the website or order form when the publication is ordered. Revenue is recognized at the point in time when the ordered materials are sent.

Any payments collected in advance of satisfying the performance obligations are recorded as deferred revenue in the accompanying statements of financial position.

CONTRACT BALANCES

The Association records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. Opening balances as of January 1, 2024, were as follows:

Service charges and accounts receivable	$ 3,500,012
Deferred revenue	$ 2,212,946

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocable costs consist primarily of occupancy related to the national headquarters in Washington, D.C., and certain salaries, digital tools and professional fees that benefit all functions. Costs are allocated based on each functional area's share of total salary expense.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT

Assets measured at fair value consisted of the following at December 31:

	2025			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual and exchange traded funds:				
Fixed income bond	$ 8,574,532	$ 8,574,532	$ --	$ --
US large cap index	9,907,168	9,907,168	--	--
Emerging market	6,845,683	6,845,683	--	--
Small and mid cap	1,750,407	1,750,407	--	--
Certificates of deposit	681,046	--	681,046	--
Total Investments	27,758,836	$ 27,077,790	$ 681,046	$ --
Assets held for deferred compensation:				
Mutual funds	$ 955,810	$ 955,810	$ --	$ --
Total Plan Investments	$ 28,714,646	$ 28,033,600	$ 681,046	$ --
Liabilities at fair value:				
Deferred compensation	$ 955,810	$ --	$ 955,810	$ --

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

	2024			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual and exchange traded funds:				
Fixed income bond	$ 9,924,638	$ 9,924,638	$ --	$ --
US large cap index	7,212,843	7,212,843	--	--
Emerging market	4,558,913	4,558,913	--	--
Small cap	1,288,100	1,288,100	--	--
Certificates of deposit	1,289,576	--	1,289,576	--
Total Investments	24,274,070	$ 22,984,494	$ 1,289,576	$ --
Assets held for deferred compensation:				
Mutual funds	$ 684,797	$ 684,797	$ --	$ --
Total Plan Investments	$ 24,958,867	$ 23,669,291	$ 1,289,576	$ --
Liabilities at fair value:				
Deferred compensation	$ 684,797	$ --	$ 684,797	$ --

Mutual and exchange traded funds are valued based on quoted prices in the market and hence classified as Level 1 investments. Certificates of deposit are valued based on the prices for similar securities. The deferred compensation liabilities are based on the fair value of the deferred compensation assets, which are observable inputs based on quoted market prices and hence classified as level 1; however, the liabilities are not publicly traded and are, therefore, considered Level 2 items.

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES

457 DEFERRED COMPENSATION PLANS

The Association maintains deferred compensation plans on behalf of several employees under Sections 457(b) and 457(f) of the IRC. Assets held for deferred compensation plans, which are held in mutual funds as directed by the participants, amounted to $955,810 and $684,797 at December 31, 2025 and 2024, respectively. Total accrued liabilities related to these plans were $955,810 and $684,797 as of December 31, 2025 and 2024, respectively. Employer contributions to these plans were $256,039 and $181,347 for the years ended December 31, 2025 and 2024, respectively.

EMPLOYEE PENSION PLAN

The Association has a defined benefit pension plan (the Plan) covering substantially all employees who were hired before December 31, 2003. The plan is funded by contributions from the Association as annually determined by the plan's actuary. Effective December 31, 2003, the plan was amended to cease all further benefit accruals for all plan participants. In addition, all participants were fully vested in benefits accrued through December 31, 2003. Participants will continue to be credited with prior service with any local NECA chapter and retired participants will continue to be entitled to receive cost-of-living adjustments as permitted by and in accordance with the plan.

During March 2026, the Association's Executive Committee adopted a resolution to transfer the pension obligations, effective May 31, 2026, through a voluntary lump sum program and settlement of obligations with an insurance carrier at the conclusion of a plan termination. The Plan's participants were notified of this action on March 30, 2026. The disclosures that follow do not reflect the impact of the Plan's potential termination in 2026. If the settlement of the Plan proceeds as anticipated, the Association will need to contribute approximately $2,200,000 to the Plan during 2026.

The following table sets forth the plan's funded status and amounts recognized in the Association's financial statements at December 31:

	2025	2024
Accumulated and projected benefit obligation	$ (22,157,785)	$ (22,537,718)
Fair value of plan assets	28,239,843	27,122,666
Pension Asset	$ 6,082,058	$ 4,584,948

The funded status at the end of the year is recognized as an asset in the statements of financial position.

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

Under U.S. GAAP, certain pension-related items, such as net gains/losses, are recognized as a change in net assets without donor restrictions but are not included in net periodic pension cost. Such items are systematically amortized and recognized as a component of net periodic pension cost. The balance of the pension-related items in net assets without donor restrictions that have not yet been recognized as net periodic pension cost consisted of an unrecognized net gain of $2,549,290 and $1,759,230 at December 31, 2025 and 2024, respectively, and is included in the reserve for pension-related items not yet recognized as a component of net periodic pension cost within net assets without donor restrictions in the statements of financial position. The amount of unrecognized net prior service cost and net gain that is expected to be amortized and recognized as a component of net periodic pension cost for the year ending December 31, 2026 totals $40,076.

Net periodic benefit cost and other amounts recognized in nonoperating income are as follows for the years ended December 31:

	2025	2024
Changes in net periodic benefit cost recognized in		
Nonoperating income:		
Interest cost	$ (1,223,302)	$ (1,237,295)
Return on plan assets	1,590,428	1,641,634
Amortization on prior service cost	(40,076)	(40,076)
Total Recognized in Net Periodic Benefit Cost	$ 327,050	$ 364,263
Other defined benefit changes recognized in		
Nonoperating income:		
Actuarial gain	$ 749,984	$ 830,881
Amortization on prior service cost	40,076	40,076
Total Recognized in Nonoperating Income	$ 790,060	$ 870,957

Assumptions used to determine benefit obligations at December 31 are as follows:

	2025	2024
Discount rate-benefit obligation	5.40%	5.69%
Increases for in-payments benefits	3.00%	3.00%
Rate of compensation increase	N/A	N/A

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

Assumptions used to determine net periodic costs at December 31 are as follows:

	2025	2024
Discount rate-periodic pension cost	5.69%	5.24%
Expected return on plan assets	6.00%	6.00%
Increases for in-payments benefits	3.00%	3.00%
Rate of compensation increase	N/A	N/A

The Pri-2012 employees and health retirees mortality tables with no collar adjustment for males and females projected generationally with Scale MP-2021 were used for the years ended December 31, 2025 and 2024.

Total employee benefits paid by the plan during the years ended December 31, 2025 and 2024, were $2,086,279 and $2,583,877, respectively. There were no employer contributions made for the years ended December 31, 2025 and 2024. If the planned settlement of the Plan in 2026 does not occur, the Association does not anticipate making a contribution to the plan during the fiscal year ending December 31, 2026.

The overall long-term rate of return was developed by estimating the rate of return for each asset class and computing a weighted average return for the portfolio as a whole. All assets were valued using a market approach, as described in Note 1.

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

The Association's pension plan assets by major asset class were as follows at December 31:

	2025			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments, at fair value:				
Mutual and exchange traded funds:				
Index	$ 7,810,714	$ 7,810,714	$ --	$ --
Emerging market	805,864	805,864	--	--
Small cap	1,604,763	1,604,763	--	--
US government bonds	2,419,704	--	2,419,704	--
Domestic corporate bonds	12,780,633	--	12,780,633	--
Foreign corporate bonds	1,372,014	--	1,372,014	--
Asset-backed securities	1,252,770	--	1,252,770	--
Municipal bonds	86,851	--	86,851	--
	28,133,313	$ 10,221,341	$ 17,911,972	$ --
Investments, at cost:				
Money market funds and cash	106,530			
Total Plan Investments	$ 28,239,843			

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

	2024			
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments, at fair value:				
Mutual and exchange traded funds:				
Index	$ 7,454,597	$ 7,454,597	$ --	$ --
Emerging market	702,110	702,110	--	--
Small cap	1,649,300	1,649,300	--	--
US government bonds	2,825,649	--	2,825,649	--
Domestic corporate bonds	11,731,133	--	11,731,133	--
Foreign corporate bonds	1,366,030	--	1,366,030	--
Asset-backed securities	1,194,647	--	1,194,647	--
Municipal bonds	83,928	--	83,928	--
	27,007,394	$ 9,806,007	$ 17,201,387	$ --
Investments, at cost:				
Money market funds and cash	115,272			
Total Plan Investments	$ 27,122,666			

Investments classified in Level 1 consist of mutual funds that are priced daily in active markets.

Investments classified in Level 2 were valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach and pricing spreads based on the credit risk of the issuer, maturity, current yield and other terms and conditions of each security. Management believes the estimated fair value to be a reasonable approximation of the exit price for these investments.

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

The asset class return is developed using historical asset return performance, the underlying investments of each asset class, and current expectations for that class based on inflation, interest rates and equity market performance. Investment asset allocation and performance is monitored by the plan's administrators and the asset review committee. The asset review committee has adopted a glide path strategy which outlines changes in the asset allocation based upon the funded status of the pension plan.

The following are the asset allocations based upon a funded level status of 77% to 105%:

Investment Class	Target Amount
Large capitalization equity	35% to 16%
Small capitalization equity	10% to 5%
Developed international	15% to 7%
Emerging markets	5% to 2%
Fixed income	35% to 70%

Benefits expected to be paid from the plan for each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are as follows:

For the Year Ending December 31,	Amount
2026	$ 2,065,440
2027	2,044,691
2028	2,015,988
2029	2,025,519
2030	1,949,955
2031-2035	9,129,910
	$ 19,231,503

NOTE 3 – RETIREMENT PLANS FOR EMPLOYEES (CONTINUED)

401(K) RETIREMENT PLAN

The Association also has a 401(k) plan covering all employees who have achieved certain age and length of service requirements. The Association makes mandatory contributions on behalf of each eligible participant equal to 5% of annual compensation. In addition, the Association decided to make discretionary contributions on behalf of eligible participants of 7% of annual compensation during each of the years ended December 31, 2025 and 2024. Mandatory employer contributions are immediately vested. Discretionary employer contributions are 100% vested after three years of service. Employer contributions to the plan totaled $1,790,080 and $1,688,430 during the years ended December 31, 2025 and 2024, respectively.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Association has entered into various long-term leasing arrangements for office equipment and office space. Certain office leases provide for an escalation of rental payments for increased real estate taxes and maintenance costs of the lessor over the base year as specified in each lease.

The following summarizes the line items in the statement of financial position which include amounts for the operating leases at December 31, 2025 and 2024:

	2025	2024
Operating lease right of use asset	$ 12,402,040	$ 13,765,639
Operating lease liability	$ 17,050,590	$ 18,576,465

The following summarizes the cash flow information related to the operating lease for the years ended December 31, 2025 and 2024:

Cash paid for amounts included in the measurement of lease liabilities:

	2025	2024
Operating cash flows from operating lease	$ 1,619,438	$ 1,551,433

Lease term and discount rate are as follows at December 31, 2025 and 2024:

	2025	2024
Weighted average remaining lease term in months	132.23	143.94
Weighted average discount rate	1.766%	1.774%

NOTE 4 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Expense recognized under the lease obligations for the years ended December 31, 2025 and 2024 was $1,457,162 and $1,436,065, respectively, and is included in occupancy in the accompanying statements of functional expenses.

The following is a summary of future minimum payments required under the lease agreements:

For the Year Ending December 31,	Amount
2026	$ 1,659,237
2027	1,700,043
2028	1,741,879
2029	1,759,566
2030	1,716,592
Thereafter	11,576,535
Total	20,153,852
Less: Interest	(3,103,262)
Total Operating Lease Liability	$ 17,050,590

FINANCIAL RISK

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association believes it is not exposed to any significant financial risk on cash.

The Association invests in a professionally managed portfolio. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

HOTEL AND CONVENTION CONTRACTS

The Association has contracts with various hotels and convention centers for future events. In the event that the Association cancels, it can be held liable for liquidated damages incurred by the hotels and convention centers as calculated in accordance with the terms of the agreements.

LITIGATION

From time to time, the Association may be involved with litigation related to business matters. Management believes that any loss related to litigation would have no significant impact on the Association.

NOTE 4 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

EMPLOYMENT AGREEMENTS

The Association has employment agreements with certain senior executives. Under the terms of the agreements, these executives will be eligible to receive specified severance payments upon the occurrence of certain events.

NOTE 5 – BOARD-DESIGNATED RESERVE FUND

The board of governors (the "Board") has adopted a policy directing the executive committee to establish and maintain a board-designated reserve fund (the "Fund"). The Fund is to assist in providing the Association with financial stability. The Fund is maintained by the executive committee in accordance with policies and directives set by the Board. Because this fund was created by an action of the Board, and not by an outside donor, the Fund is classified as a component of net assets without donor restrictions.

NOTE 6 – RELATED PARTY TRANSACTIONS

ELECTRI INTERNATIONAL

The Association and ELECTRI International – The Foundation for Electrical Construction, Inc. (the "Foundation") share some common board members and officers. During the years ended December 31, 2025 and 2024, the Association incurred certain general and administrative expenses on behalf of the Foundation. These expenses are being treated as a contribution to the Foundation by the Association. During the year December 31, 2025 and 2024, the Association provided in-kind general and administrative services to the Foundation totaling $394,500 and $399,072, respectively.

The Foundation owed the Association $1,045,074 and $661,376 as of December 31, 2025 and 2024, respectively. This amount is included in due from affiliates in the accompanying statement of financial position.

NECA-IBEW

The Association donates management services at no cost to NECA-IBEW National Labor Management Cooperation Committee Trust Fund ("NLMCC"), a related party. During each of the years ended December 31, 2025 and 2024, NLMCC paid the Association $300,000 to support business and workforce development programs. NLMCC owed the Association $0 as of each December 31, 2025 and 2024.

NOTE 7 – INCOME TAXES

The Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code (“IRC”), except on net income derived from unrelated business activities. The Association’s primary unrelated business activity consists of advertising revenue. In addition to unrelated business income taxes, tax expense also includes Federal excise taxes related to certain executive compensation.

Based on the Association’s operations for the years ended December 31, 2025 and 2024, no provision for uncertain tax positions is required or has been made in the accompanying financial statements.

As of December 31, 2025, there were tax years open that could be subject to review by federal and state taxing authorities. However, there are currently no examinations pending or in progress.

The components of income tax expense were as follows at December 31:

	2025	2024
Federal	$ 54,233	$ 70,865
State	6,257	13,664
Total Current Income Tax Expense	$ 60,490	$ 84,529

The components of the deferred tax asset were as follows at December 31:

	2025	2024
Deferred tax asset	$ 240,435	$ 311,516
Deferred tax asset valuation allowance	(240,435)	(311,516)
Net Deferred Tax Asset	$ --	$ --

The deferred tax asset consisted of contribution carryforwards. At December 31, 2025, the Association had contribution carryforwards available to offset future federal and state taxable income of approximately $822,000, subject to certain limitations, which expire during various years through 2030. The contribution carryforwards consist of charitable contributions made primarily to the Foundation in excess of the deductible amount. A valuation allowance has been recognized to offset the deferred tax asset due to the uncertainty of realizing the benefit of the contribution carryforwards.

NOTE 8 – AVAILABILITY AND LIQUIDITY

As part of its liquidity management process, the Association has established a reserve fund for the purposes of providing for the stability of Association operations and responding to unpredictable problems and opportunities. The goal is to maintain designated reserve funds equal to the annual operating expenses of the Association. The minimum fund shall be equal to at least six months of operating expenses and not in excess of two years of operating expenses. The executive committee may utilize up to 7% of the value of the board-designated reserve fund for annual operations. To meet short-term cash needs, the executive committee may transfer additional amounts to the operations account provided such amounts are returned to the designated reserves during the following fiscal year. All other withdrawals from the board-designated reserve require prior authorization by the Board.

The Association's management monitors the organization's liquid assets balance on an ongoing basis in order to ensure funds are available to meet operating needs.

The following reflects the Association's financial assets available for general use within one year of the statement of financial position date as of December 31:

	2025	2024
Cash and cash equivalents	$ 4,660,450	$ 2,896,038
Accounts receivable	3,855,437	3,510,543
Due from affiliates	1,045,074	661,376
Investments	27,758,836	24,274,070
Assets held under deferred compensation plans	955,810	684,797
Financial Assets Available	38,275,607	32,026,824
Less: Deferred compensation liabilities	(955,810)	(684,797)
Less: Board-designated reserve fund	(25,657,112)	(22,246,832)
Plus: Budgeted subsequent year's transfer from board-designated reserve	--	--
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 11,662,685	$ 9,095,195

NOTE 9 – RECLASSIFICATIONS

Certain 2024 amounts have been reclassified to conform with the 2025 presentation.

NOTE 10 – SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated, for potential recognition or disclosure, events and transactions through May 26, 2026, the date the financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in the financial statements.