

2013-2014 ANNUAL REPORT

PLUMBING-HEATING-COOLING CONTRACTORS—NATIONAL ASSOCIATION
EDUCATIONAL FOUNDATION

STRONG FOUNDATION

FOR A FIT INDUSTRY



EDUCATIONAL FOUNDATION

DEAR FOUNDATION FRIENDS, DONORS, AND PHCC MEMBERS:

As chairperson of the PHCC Educational Foundation, I get a bird's-eye view on what it takes to keep this industry fit and move our trade forward. The beauty of my perspective is that it comes with a long history in this business and to this organization; in fact, I was on the PHCC Board of Directors when the Foundation was formed more than 27 years ago. In that time, we've answered the continuing calls of evolving technologies, shifting economies, and a new generation.

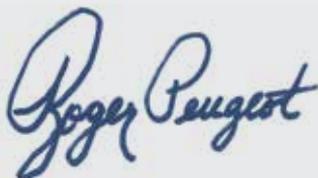
I truly believe that – even with the challenges of a critical shortage of skilled workers and the ever-changing technologies and regulations – this is an especially exciting time in our trade. Not only are today's new tools advancing our industry but they're making it more attractive to the young people entering our profession. As 2013 HVAC Apprentice Contest winner, Tyler Plueger, told us: "It's a great industry to be in."

Motivated by young people like Tyler, the Foundation continually responds to the unique needs of our workforce. This year that included the conversion of our textbook series to an e-book format, as well as establishing a mobile version of our web site and a YouTube channel. It was a year for responding to the constant changes in regulations that impact our trade. We wrapped up our leadership role on the Get the Lead Out Plumbing Consortium, training more than 4,200 professionals on the new lead free law that went into effect last January. And, our webinar on the approaching changes in water heater regulations received more than 1,650 views on the Foundation's YouTube channel. As you'll see in these pages, efforts like these establish our reputation as the *go-to resource for top-notch training, from webinars and seminars, to project management courses and textbooks, to contests and scholarships.*

How do we maintain that track record? Well, that's where you fit in. Thanks to you and others committed to our industry, this year we were again able to set the course on workforce development, management education, and technical training activities. The time of our dedicated volunteers and the generous gifts to the Endowment and to our Invest in the Future Campaign make it possible for us to cultivate collaborative relationships and attract and prepare the next generation of skilled workers and managers.

With that, I challenge you to never lose sight that we must continue to keep our contractors at peak performance in this ever-changing industry by providing them with best practices and processes, and we must continue to motivate an emerging workforce and help them build their business muscle. Wherever your place is in the history of the PHCC Educational Foundation, I thank you for keeping this industry fit for today ... and tomorrow. We're stronger because of you.

Sincerely,



ROGER PEUGEOT

Roger the Plumber

Foundation Chairperson



2013-2014 FOUNDATION ACCOMPLISHMENTS

For more than 27 years, the PHCC Educational Foundation has been keeping this industry fit, surfacing as the leader when it comes to education and training. Those in the trade know that we get young people excited about this profession. Apprentices know that they can count on us to effectively prepare them for jobs to support their families. Contractors know we're on top of new technologies and practices. And manufacturers know we train technicians to install their products correctly.

To stay in the lead, we need **you**. Take a look at what we've been doing this year through the Foundation, and know that – together – **we're keeping this industry strong.**

STRENGTHENING THE INDUSTRY WITH SKILLED WORKERS AND MANAGERS

BUSINESS MANAGEMENT EDUCATION

ESSENTIALS OF PROJECT MANAGEMENT COURSE

This year's powerful course was a sell-out, with owners, project managers, estimators, and lead foremen examining project management from pre-bid to close-out with an eye on cutting wasted time and boosting profits. We've now begun a two-year "refresh" of the program, including changes to the schedule, course content, and a new case study.



ADVANCED PROJECT MANAGEMENT COURSE

The Foundation presented its second Advanced Management Workshop this year, again sponsored by Viega and hosted at its educational facility in Nashua, N.H. During the workshop, 17 project managers and business owners discussed topics *they selected* via an online survey.



SEMINAR AND WEBINAR SERIES

The Foundation knows contractors and their businesses, and – through our Seminar and Webinar series sponsored by Kohler – consistently delivered timely and targeted topics, from understanding overhead to the new water heater standards to soldering new lead free products.

BIG REACH

This year, the Foundation educated more than 4,000 contractors and employees through our seminar and webinar series. In fact, the webinar on the new water heater regulations alone received more than 1,650 views on the Foundation's YouTube channel!



FOUNDATION PERSONNEL E.BULLETIN

To help contractors manage their employees, the Foundation published 12 issues of our Personnel e.bulletin, exploring subjects such as managing a multicultural workforce, explaining wages verses total compensation to employees, and terminations done right.

WELCOME TOOLS

Realizing that running a business requires being a lifelong learner, the Foundation welcomed new PHCC members with a special gift this year: a DVD of all of our 2013 webinars and Personnel e.bulletins. It was a perfect – and practical – introduction to the range of targeted business information, tools, and resources that the PHCC Foundation provides.



GET THE LEAD OUT PLUMBING CONSORTIUM

After taking a leadership role in organizing the Get the Lead Out Plumbing Consortium to prepare the industry for the new federal "Reduction of Lead in Drinking Water Act" that went into effect last January, the Foundation wrapped up our training efforts this year, training more than 4,200 professionals at 57 events nationwide.

91K

Total Resources Viewed

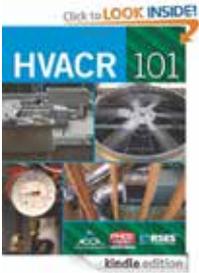
More than 91,000 resources were viewed or downloaded on the consortium's comprehensive web site: www.GetTheLeadOutPlumbing.com

CONNECT 2014 EDUCATIONAL PROGRAMS

The Foundation was instrumental in developing the CONNECT 2014 educational sessions specifically designed to "amp up" the businesses of those attending the convention in New Orleans. Our diverse line-up had something for everyone, from those in service and repair to new construction/commercial companies.

BUILDING CAREERS

APPRENTICE AND JOURNEYMAN TRAINING AND WORKFORCE DEVELOPMENT



E-BOOKS

With the rollout of *Plumbing 401* in December, all of the plumbing apprentice textbooks are now available in e-book format. The Foundation is completing the conversion of the HVACR series to an electronic format.

DID YOU KNOW?

Sales of the Foundation's plumbing textbooks increased by 65 percent over 2012.

2013

+65%

2012



APPRENTICE CONTESTS

Building on the momentum of our popular Plumbing Apprentice Contest, the Foundation debuted an HVAC Contest at CONNECT 2013. Between both contests, 24 of the nation's top apprentices demonstrated their knowledge and skills, gained confidence, and made valuable connections, with the winners taking home incredible prize packages of tools and cash.

E-LEARNING OPPORTUNITIES

Understanding the advantages of e-learning – including open enrollment, pace of learning, and convenience – the Foundation worked with individual states this year to customize its plumbing e-learning course to meet state requirements.

HAZCOM TRAINING

Through our partnership with 360training.com, the Foundation offered more than 60 online training courses, including the required HazCom OSHA training, at a 10 percent discount for contractors and their employees.

SKILLSUSA CONTESTS

Dedicated to helping build the next generation of skilled workers, the Foundation was proud to again support the plumbing and HVACR competitions at the annual SkillsUSA National Leadership and Skills Conference in Kansas City, Mo, in June. More than 100 plumbing and HVACR students from secondary and post-secondary schools competed for top prizes. Foundation volunteers, who make up the SkillsUSA Technical Committee, prepared for the move of the SkillsUSA competitions to Louisville, Ky., beginning next year.

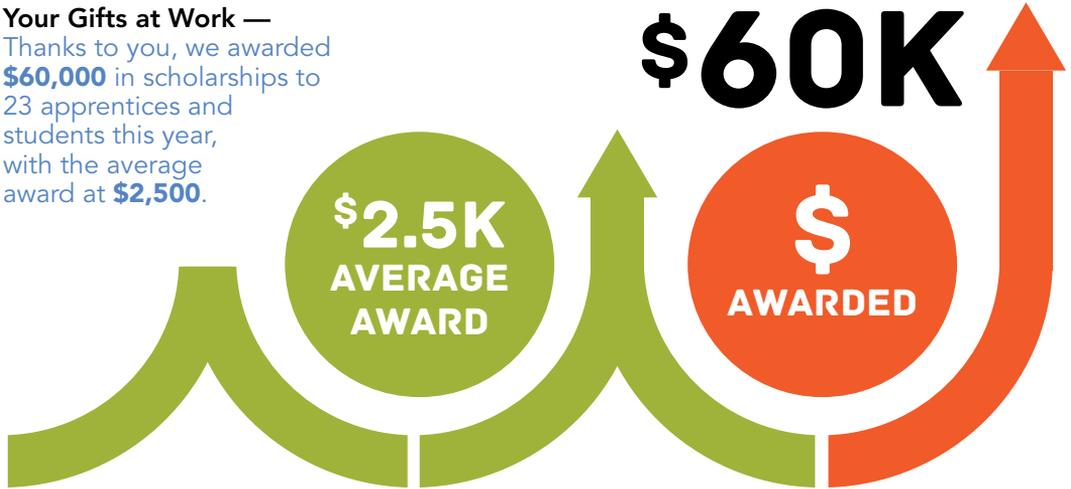


SCHOLARSHIPS

Recognizing that attracting new talent is essential to the future of the p-h-c industry, the Foundation proudly awarded \$60,000 in scholarships this summer to support the education of 23 apprentices and students. Since 1986, more than \$2.3 million in scholarships have been awarded or funded through the Foundation.

Your Gifts at Work —

Thanks to you, we awarded **\$60,000** in scholarships to 23 apprentices and students this year, with the average award at **\$2,500**.



TEAM USA AND THE WORLDSKILLS WATER INNOVATION CHALLENGE

The Foundation joined several industry groups to send a team of young professionals to compete in the WorldSkills Foundation Water Innovation Challenge in Singapore in June. Developing a system to pump water from a rainwater harvesting tank to a sanitation station, Team USA edged out Australia to win the competition and create innovative solutions for water and sanitation issues in Nepal and Bangladesh.



WORKFORCE DEVELOPMENT

With finding – and fueling – the future workforce a top priority, the Foundation co-sponsored a career construction day in San Antonio, Texas, in April. The event reached more than 800 students from San Antonio area school districts who were hand-picked from their trade programs to attend the event. Also in April, the Foundation joined PHCC in shining a spotlight on careers in the p-h-c industry for the estimated 250,000 students, parents, and school representatives attending the USA Science & Engineering Festival in Washington, D.C.

TRAINING OPPORTUNITIES

Sharing the responsibility to train the future workforce with others who are passionate about their industry – from skilled contractors to manufacturers – the Foundation published an article in *Green Mechanical Contractor* outlining how the industry is training the next generation of skilled workers, as well as recommending outlets where those building a p-h-c career can find top instruction.

SPEAKING OF SUCH OPPORTUNITIES ...

The Foundation supported the annual HVACR & Mechanical Conference for Education Professionals in March, serving on a workforce panel during the conference and participating as an exhibitor to reach more than 125 technical and community college instructors.



SPREADING THE WORD

COMMUNICATIONS AND MARKETING

As the educational arm of PHCC, we see first-hand how the industry is being impacted by new technologies and regulations. For those working in this trade, we know the demands on their time when it comes to education and training. And, in our efforts to help PHCC members recruit and retain qualified workers, we've made it our business to understand what motivates those coming *into* this business. So, it's only fitting that we respond by gearing our own communications to those unique needs of PHCC's members and others in the industry who count on our resources. This year the Foundation:

- Launched a mobile version of our web site.
- Launched a YouTube Channel.
- Supplemented the two issues of our printed Focus newsletter with 12 **online** issues of our *Focus Flash* newsletter.

We're proud of our reputation of being the "go-to" resource when it comes to education and training for the entire p-h-c industry. So, we've welcomed the opportunity to fund education for PHCC's affiliates. This year, the Foundation supported:

- The Spring QSC Power Meeting,
- The UAC Unity Meeting,
- The AEC Spectrum Conference,
- The Auxiliary Scholarship program,
- Seventeen state and local chapter events.



DEVELOPING OUR RESOURCES

FUNDRAISING

ENDOWMENT FUND

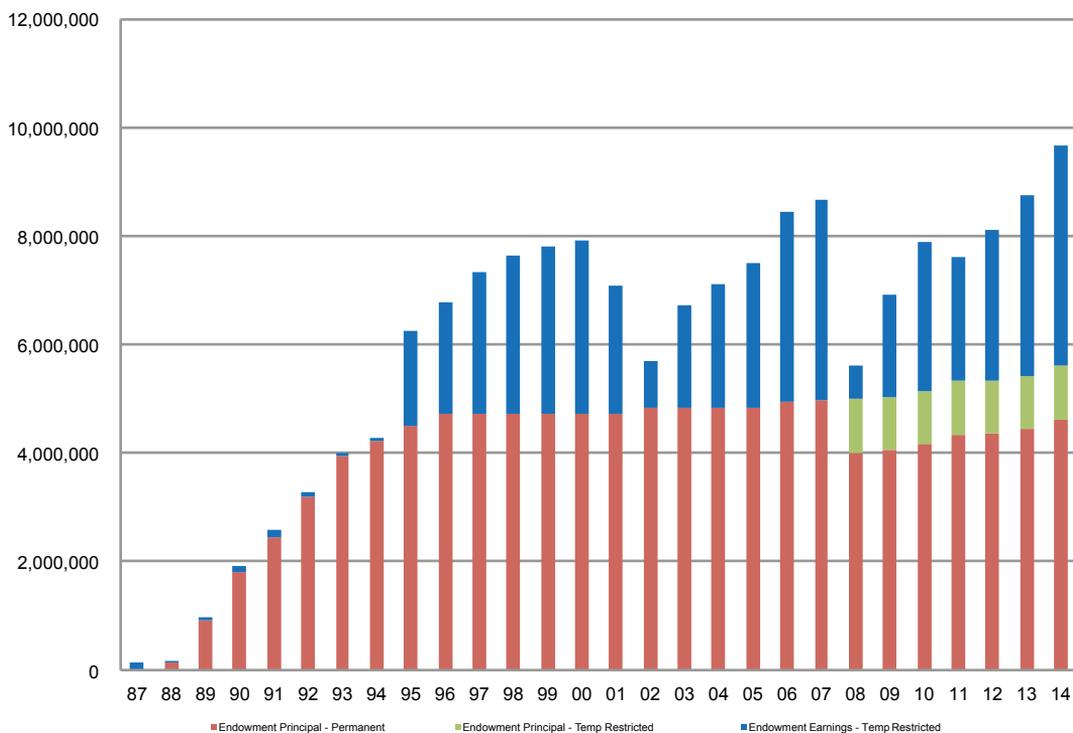
The PHCC Educational Foundation is a 501(c)(3) non-profit, with the majority of our monetary support provided by more than 75 contractors, manufacturers, and industry partners whose generous gifts helped to establish the Foundation's Endowment Fund.

These major donors form the core membership of our committees and together serve as our Board of Governors. Under the careful stewardship of the Investment Management Committee, the endowment is invested in ways that ensure funds are available to support industry education for future generations.



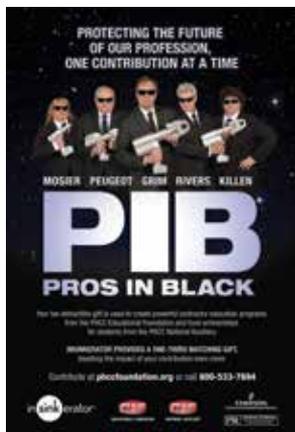
At CONNECT 2013, we proudly welcomed Kevin and Kathy Tindall as our newest members to the Board of Governors. The Tindall's have contributed to the Foundation for many years, from organizing local fundraising events to serving on committees and making personal gifts to support the Foundation's mission.

ENDOWMENT FUND



Thanks to your gifts, the Endowment Fund has grown to more than \$9 million!

▲ **\$9**
MILLION



INVEST IN YOUR FUTURE GIVING CAMPAIGN

The Foundation depends heavily on the annual giving campaign to deliver education programs and scholarships. The 2013 campaign, co-chaired by Steve Rivers and Kevin Tindall, reached its goal for the 14th consecutive year. InSinkEerator and Ferguson are once again major supporters for the 2014 campaign, creatively promoted as "Pros in Black – Protecting the Future of Our Profession, One Contribution at a Time."

Protecting the Future of Our Profession — Thanks to you – and matching donations from InSinkEerator and Ferguson – the campaign is on track to raise \$150,000 this year!

INSINKERATOR/FERGUSON MATCH



PHCC - NATIONAL ASSOCIATION EDUCATIONAL FOUNDATION

BALANCE SHEET

June 30, 2013 and June 30, 2012

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>	<u>VARIANCE</u>
ASSETS			
<u>Current Assets</u>			
Cash - Checking & Savings	\$ 24,780	\$ 37,201	\$ (12,421)
Accounts Receivable	15,939	21,592	(5,653)
Pledges Receivable	223,797	253,050	(29,253)
Inventory	4,498	4,567	(69)
Prepaid Items	8,831	6,674	2,157
TOTAL CURRENT ASSETS	<u>277,844</u>	<u>323,084</u>	<u>(45,240)</u>
Investments at Market Value*	<u>9,875,348</u>	<u>9,150,513</u>	<u>724,835</u>
TOTAL ASSETS	<u>\$ 10,153,192</u>	<u>\$ 9,473,597</u>	<u>\$ 679,595</u>
LIABILITIES AND NET ASSETS			
<u>Liabilities</u>			
Accounts Payable & Accrued Expenses	81,576	65,758	15,818
Due to affiliate	26,224	87,150	(60,926)
Deferred Revenue	48,377	58,976	(10,599)
TOTAL CURRENT LIABILITIES	<u>156,177</u>	<u>211,884</u>	<u>(45,108)</u>
<u>Net Assets - Prior Year</u>			
Undesignated - operating	301,000	281,845	19,155
Scholarships	1,102,800	1,013,463	89,337
Temporarily restricted	3,286,110	3,034,909	251,201
Permanently restricted	4,571,823	4,323,148	248,675
TOTAL PRIOR YEAR NET ASSETS	<u>9,261,734</u>	<u>8,653,365</u>	<u>608,369</u>
Change in Net Assets	<u>735,281</u>	<u>608,348</u>	<u>126,933</u>
TOTAL NET ASSETS	<u>9,997,015</u>	<u>9,261,713</u>	<u>735,302</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,153,192</u>	<u>\$ 9,473,597</u>	<u>\$ 690,194</u>

*Change due to market fluctuation.

KEEPING THE INDUSTRY FIT FOR THE FUTURE ...

The Foundation has a long history of anticipating the needs of the industry's workforce with innovative education and targeted training programs. Of course, the needs of our industry – and of the workforce serving it – never stop changing, and neither do we! To ensure that we continue our reputation for keeping this industry at peak performance, we're already working on plans for 2015, which include:

- Updating our *Plumbing 201* textbook, available in both print and electronic formats.
- Expanding and enhancing our web-based training, including adding courses on "Project Management for Small Shops."
- Exploring turnkey resources and potential tools to assist PHCC in helping contractors raise awareness of plumbing career opportunities to better recruit workers in their local communities.

2013-2014 BOARD OF DIRECTORS

Officers

Chairperson

Roger Peugeot
Roger the Plumber
Overland Park, KS

Vice-Chairperson

David Dugger
ShoffnerKalthoff
Mechanical Electrical
Service
Knoxville, TN

Secretary-Treasurer

Frank Maddalon
F.R. Maddalon Plumbing
& Heating
Trenton, NJ

Board of Directors

Tom Applegate
Ohio Association
Career-Technical
Superintendents
Westerville, OH

Laurie C. Crigler
L & D Associates, Inc.
Aroda, VA

Rocco Fana
Ohio PHCC
Rocky River, OH

Charles "Chip" Greene
Greene & Associates, Inc.
Macon, GA

Michael J. Kastner, Jr.
Kastner Plumbing &
Heating
West Friendship, MD

Gerry Kennedy
PHCC-National
Association
Falls Church, VA

Richard Kerzetski
Universal Plumbing &
Heating, Inc.
Las Vegas, NV

Craig Lewis
R.E.C. Industries, Inc.
Bryan, TX

Rex Martin
NIBCO INC.
Elkhart, IN

Steve Rivers
Rivers Plumbing, Heating
& Air
Pleasanton, CA

Sandy Stack
Stack Plumbing, Inc.
Kirkland, WA

Kevin Tindall
Tindall & Ranson
Princeton, NJ

Chief Operating Officer

Cindy Sheridan, CAE
PHCC Educational
Foundation
Falls Church, VA



BOARD OF GOVERNORS

Charter Founders

American Standard
Delta Faucet Company and the
Masco Family of Companies
InSinkErator
Kohler Company

Program Underwriter

Eljer Plumbingware, Inc.

Chancellor

Moen Incorporated
Viewpoint Construction Software

Corporate Founders

Anaheim Manufacturing
Anvil International
Bradford White Corporation
Cerro Flow Products, Inc.
Charlotte Pipe and Foundry
Elkay Manufacturing Company
Federated Mutual Insurance
Ferguson and Wolseley, plc.
InSinkErator
Kohler Company
Legend Valve
NIBCO INC.
Rheem Manufacturing Co. and
Ruud Water Heater
Trimble MEP
Viega, LLC
Watts Water Technologies, Inc.

CONTRACTOR MEMBERS

Kirk and Pam Alter
William Becker*
Joseph Beetz*
Irwin Botto*
Daniel Burnette*†
Steve Carder
John "Tim" Ceren*
Ray† and Connie Dauenhauer*
Ray Dauenhauer, Sr.† (Memorial)
James T. Driscoll, Jr.
David and Janet Dugger
Charles "Red" Englert*†
Richard E. Farrell*

David† and Jean Fox*†
John Garvelink
Mary Garvelink
Mark Giebelhaus
John Giolitto*†
James Hansbauer*
William L. Harvey*
Charles F. Hiley, Sr.*†
Charles F. Hiley, Jr.*†
Larry W. Howe*
Dick and Patty Irwin*
William and Patty Jones*
Richard R. Kerzetski
Kenneth E. Krauska*†
Jim and Patricia Lewis
William Linek*
William Lynch*†
Frank and Iris Maddalon
John A. McWilliams
Harold Michel*
Joseph "Herb" Miller*
Donald and Lorraine Morin*
Adam Moyer*
Christopher T. Moyer
Lenny Johnson, President and
New York State PHCC*
Ron and Jeanette Newman
Walter Parkes*
Roger Peugeot
PHCC of Massachusetts*
Donald Priest*†
Carl Rice
Steve and Ann Rivers
Orville and Doreen† Taecker
Dennis Tarpenning
Kevin and Kathy Tindall
William and Bette† Trombly*
John† and Jo Wagner
John † and Kate Ward*
Francis † and Anne Williams*
Franklin Youngblood*†
F. Carl Ziegler†
F. Kent Ziegler
R. Scott Ziegler

* FOUNDER

† DECEASED

2013-2014 ANNUAL REPORT

PLUMBING-HEATING-COOLING CONTRACTORS—NATIONAL ASSOCIATION
EDUCATIONAL FOUNDATION



EDUCATIONAL FOUNDATION

**PLUMBING-HEATING-COOLING CONTRACTORS ASSOCIATION
EDUCATIONAL FOUNDATION**

180 S. Washington Street, Suite 100

Falls Church, VA 22046

800-533-7694

Fax: 703-237-7442

www.phccfoundation.org