VISION:
Protecting the health, safety and welfare of people by creating better buildings and safer communities.

MISSION:
Providing the highest quality codes, standards, products and services for all concerned with the safety and performance of the built environment.
## CONTENT

### 2013 ANNUAL REPORT

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>LETTER FROM THE BOARD PRESIDENT</td>
</tr>
<tr>
<td>5</td>
<td>LETTER FROM THE CEO</td>
</tr>
<tr>
<td>6</td>
<td>LETTER FROM THE COO-CFO</td>
</tr>
<tr>
<td>7</td>
<td>LETTER FROM THE EVP &amp; DIRECTOR OF BUSINESS DEVELOPMENT</td>
</tr>
<tr>
<td>8-9</td>
<td>ICC BOARD OF DIRECTORS</td>
</tr>
<tr>
<td>10</td>
<td>TREASURER’S REPORT</td>
</tr>
<tr>
<td>11</td>
<td>ICC ORGANIZATION CHART</td>
</tr>
<tr>
<td>12-30</td>
<td>ICC PROGRAM PROFILES AND HIGHLIGHTS</td>
</tr>
<tr>
<td>32</td>
<td>ICC-EVALUATION SERVICE, LLC</td>
</tr>
<tr>
<td>34-41</td>
<td>INTERNATIONAL ACCREDITATION SERVICE, INC.® (IAS®)</td>
</tr>
<tr>
<td>42-43</td>
<td>NOTICE OF ANNUAL BUSINESS MEETING</td>
</tr>
<tr>
<td>44-47</td>
<td>MINUTES OF 2012 ANNUAL BUSINESS MEETING</td>
</tr>
<tr>
<td>48-51</td>
<td>PROPOSED MEMBER RESOLUTIONS</td>
</tr>
<tr>
<td>52-55</td>
<td>CP#19-03 GOVERNING THE CONDUCT OF ELECTIONS</td>
</tr>
<tr>
<td>56-66</td>
<td>BYLAWS FOR THE INTERNATIONAL CODE COUNCIL, INC.</td>
</tr>
<tr>
<td>67-94</td>
<td>AUDITED FINANCIAL STATEMENTS</td>
</tr>
<tr>
<td>95-97</td>
<td>ICC TIMELINE</td>
</tr>
<tr>
<td>98-99</td>
<td>2013 ANNUAL CONFERENCE SCHEDULE</td>
</tr>
<tr>
<td>101</td>
<td>CONTACT INFORMATION</td>
</tr>
</tbody>
</table>
Dear Fellow Members,

As ICC’s 10th anniversary comes to a close, I find myself reflecting not only on the past year, but also on our entire history as a consolidated association. From this perspective, it is easy to see that many of this year’s accomplishments are not simply the result of a single year of work, but of an entire decade of development. Since our visionary and idealistic beginning back in 2003, the International Code Council has evolved and matured as an association with an important role to play. While building safety remains at our core, I believe we have also come to realize that it is only part of our mission.

In some respects, this year has been marked by a return to our roots. We have refocused on our core functions – code development, training and education and service to our Members. Creating great codes, providing the tools necessary to administer and enforce them and ultimately providing value to our Members - these are the things that we do best, and we have taken steps to assure that ICC will not lose sight of its primary purpose in the future. It’s always important to remember where you came from.

We also recognize that we’re not in this alone. Our success has been, and continues to be, built on an alliance with countless organizations and individuals who are dedicated to our common mission. As part of our 10-year anniversary celebration, we have taken a moment to acknowledge some of the people and organizations that have led us to this important milestone in our history. From Founding Strategic Partners to Supporting and Corporate Partner organizations to our volunteer Members, we are working to build and strengthen the relationships that are our backbone. Over the past year, I have been told by many that “ICC’s success is in the best interest of all of us.” Those words reinforce the fact that our ongoing success will be determined by our ability to work together.

But an anniversary as auspicious as our 10th is not all about looking back. This year we have taken the opportunity to look boldly and optimistically into the future. The Board of Directors has spent considerable time envisioning the opportunities and challenges that might exist 10 years from now, so that we can be better prepared for what lies ahead. This has allowed us to think about how factors such as technology, the economy and the expanding societal role of our Members affect the association, and how ICC must evolve to remain relevant in a rapidly changing world. Initiatives such as converting the International Codes to digital format, automated plan review and cdpACCESS™ are great examples of how ICC is adapting and working with our partners to provide valuable new tools for our Members to tackle the challenges of the future.

Another signal that bodes well for the future is the renewed dedication of ICC’s volunteer Councils and Committees. Our Membership Councils, Major Jurisdiction Committee and Code Development Committees are thriving, and their good work is helping to strengthen our association in a profound way. They also serve as important incubators for the future leadership of the association. If you have not already done so, join a Membership Council or apply for a Committee and become a leader of ICC.

Of course none of these accomplishments would be possible without the hard work of the dedicated staff of ICC. Over the past year, I have had the privilege to work side by side with many staff colleagues at all levels, and it has reinforced a fact I have known for many years. The staff of the International Code Council is truly in a class by itself. Also, the Board of Directors was proud to announce the appointment of “one of our own,” Dominic Sims, as our Chief Executive Officer. Having witnessed his development over the many years I have had the pleasure to work with him, I know Dominic is going to take our association to new heights. Thank you to all of our talented and dedicated staff for the great work you do every day to serve our Members, partners, supporters and the entire building safety industry.

I applaud the extraordinary contributions of my peers on your Board of Directors during this past year. Each Board member brought a distinct skill set and a unique perspective to the table, and all dedicated themselves to truly working together in the
best interest of ICC. I am proud to have served with these distinguished leaders, and assure you that your 2013 Board of Directors has served you well.

I also thank my colleagues back home at the New York State Department of State, Division of Code Enforcement and Administration, who encouraged and supported me, and helped to keep our Division running smoothly during my tenure as President.

And I thank you for allowing me to serve as your President. I am deeply humbled by the support and confidence you placed in me, and will be forever grateful for the distinguished honor of service to our Members. This experience has been tremendously rewarding, both personally and professionally, and I will surely benefit from the lessons I learned for the remainder of my life.

On the dawn of our 11th year, it gives me great pride to report that our association is strong and our future is bright. Your Board of Directors, CEO and staff are aligned and ready to begin another decade of service to our Members. And our Members are ready to face the challenges and capture the opportunities of the future. It is time to move forward, TOGETHER, and to make the International Code Council’s next 10 years our best yet.

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Building Safety for 10 Years

Ronald E. Piester, AIA
President, Board of Directors
International Code Council
Dear Code Council Members,

First, I would like to express my sincere thanks to our Members, partners and associates for their support, dedication and commitment to the International Code Council’s vision over the past 10 years. The Code Council is driven by its mission to develop model codes and standards for the health, safety and welfare of the public, and to support its Members as they help build safer communities. We could not have accomplished so much toward achieving these goals without your contributions.

As the Code Council completes this 10th year as a consolidated organization, an unprecedented pace of technological advancement is driving fundamental changes in our business environment. For ICC to be successful into its next decade and beyond, we are aggressively modernizing our business processes while staying true to the core principles that define our association. By creating new ways for our Members to engage in the Code Council, we anticipate that technology will serve as an important conduit to continue to advance our mission for the benefit of the public and the profession.

The centerpiece of ICC’s digital transformation is cdpACCESS™ – ICC’s initiative to create the code development process of the future. With an anticipated launch in November, cdpACCESS™ is far more than just “remote voting.” Our code development process encompasses several elements, including the Committee Action and Public Comment Hearings, and cdpACCESS™ will eventually enable participation in all phases of the process, from a computer or tablet, regardless of your location. I want to encourage all of you to participate in the Group B Public Comment Hearings in Atlantic City, where we will be conducting tests of a new, online voting process for a handful of proposed changes to the 2015 International Codes. This is an important, historic milestone for ICC, ushering in a new age that will bring the value of code development to a much wider audience of our Members and stakeholders. I hope to see you there.

Attendees at the 2013 Annual Conference in Atlantic City will also have at their disposal two new features that demonstrate the Code Council’s commitment to a more technologically-driven future. While a conference mobile app and the use of Quick Response (QR) Codes (or bar codes) are not new concepts, these paperless alternatives will enhance the experiences of attendees. Code officials and the building safety industry as a whole have faced significant change brought on by recent financial instability, but as economic conditions continue to improve ICC is in a unique position to take advantage of emerging opportunities on behalf of its Members. By effectively managing revenues and expenses, and by being good stewards of the operating budget, we will continue to be able to adapt and expand our diverse offering of programs, products and services that support the key activities of our Members.

I have always been proud to be a member of the Code Council, which represents the highest standard for building safety and fire prevention professionals. I am honored to serve in the footsteps of the late William J. Tangye, the first CEO of the International Code Council, and the individuals who have followed in this position. I join the Board of Directors and management team in expressing our deep gratitude for the dedicated staff at ICC who remained committed to delivering the highest levels of value and service to our Members.

This is a pivotal time for ICC and the building safety industry, and I am excited about what your International Code Council will bring to you in the years ahead. I look forward to working with our Board, Members, staff and partners to ensure that ICC is responding to your needs and addressing your challenges. The future is bright, and by working together in a spirit of collaboration we will achieve our goals and mission to help build safe, sustainable, affordable and resilient communities.

Dominic Sims
Chief Executive Officer
International Code Council
Dear Code Council Members,

Although the past year continued to be challenging financially, the slowly recovering economy has improved our outlook for the future.

The three-year code adoption cycle has begun to improve substantially from its low point in 2012. We expect revenue from the sale of goods and services to reach our 2013 budget target, and we anticipate meeting or exceeding our operating profit target for 2013.

The Information Technology division is leading the development and implementation of cdpACCESS™, the Code Council’s initiative to create the code development process of the future. The cdpACCESS™ initiative contains three main components:

- Online submittal of codes changes and public comments;
- Online collaboration among stakeholders;
- Online voting of Committee Action Hearing assembly motions and Public Comment Hearing final code change votes.

Following the Group B Public Comment Hearings in Atlantic City, the Code Council expects to conduct tests of the online voting process for a handful of proposed changes to the 2015 International Codes®. ICC’s goal is to launch the cdpACCESS™ pilot program in November, in time for the start of the Group C code development cycle.

As part of the Code Council’s commitment to a more technologically driven future, the IT division also developed an app (for iPhone, iPad and Android devices) for the Annual Conference and Business Meeting in Atlantic City. This app will allow attendees to access all events and conference-related information on their devices. Further, attendees will not have to carry the printed conference schedules. It will also allow the attendees to download their scheduled and planned activities creating a personalized calendar.

A major overhaul of the ICC website is scheduled to begin in the fourth quarter of this year. Several updates already have been made to the new online store that was launched late last year.

Looking across the ICC landscape, there are some noteworthy achievements from the past year:

- Product Development released 12 new products to support the 2012 I-Codes and their related reference standards.
- In April 2013, the Customer Call Center took on a new Live Chat service that appears on all the main pages of the website, helping to make direct contact with the Code Council even easier.
- Our knowledgeable technical staff provides more than 65,000 code opinions and committee interpretations per year.
- The Code Council’s Certification and Testing program has served more than 52,000 certified professionals.
- ICC Evaluation Service® launched its new Inspection and Listing programs that offer customers a wider range of support services.
- The International Accreditation Service® recently accredited its 700th client six months ahead of projections.

With these critical programs and an improving national and local economy, we expect 2013-2014 to be an exciting time for ICC and its Members as we enter into our second decade as a consolidated organization. We are confident that by working together we will continue to meet the challenges and succeed in our organizational goals and mission.

John Belcik
Chief Operating and Chief Financial Officer
International Code Council
Dear Code Council Members,

In 2013 the Code Council experienced a strengthening in the performance of its business units. While the aftermath of the worst recession since the Great Depression still lingers, it is clear that the Code Council has turned the corner and emerged as a more nimble, responsive and focused association. This year we witnessed key milestones with regard to each of our business units, and I would like to briefly touch on these.

On the publications front, the Code Council continued to meet the needs of states and local jurisdictions with professional and timely publishing services. This year saw the release of updated codes for the state of California along with a complete offering of services to support the implementation of these new codes. Incentive-based, promotional efforts by our Marketing Department saved our members a significant amount of money for buying early. Currently, work is underway to update the codes of other states, including Arkansas, Michigan and Oregon.

In the area of product development, we are pleased to report the release of 12 new products to support the 2012 I-Codes and their related reference standards. Many of these new offerings are a result of close collaboration with other standards developers and respected technical associations. Our product development group continues to update popular support products, adding enhanced color graphics and comprehensive coverage on new code material. On the digital front, the Code Council continued to significantly expand the number of titles offered as digital downloads for use on laptops/desktops as well as mobile devices such as iPads and Kindles. More than 1,000 codes, standards and references are available in digital format from the ICC website. Also, we developed more digital support products using enhanced graphics to make code text more visually appealing. The Interactive Guide to the 2012 IBC®: An Illustrated Checklist and the Illustrated Codes for Designers are just a few examples.

Training and education is a key area of focus for the Code Council. Under the guidance of the Vision 2023 Committee, the association has set out to reinvent its training and education program. There will be a strong emphasis on partnering with qualified training providers through a completely revamped and reinvigorated “preferred provider” program to ensure the Code Council delivers premier code training that is flexible and affordable. Looking at the ever-changing needs and demographics of our Members, it is clear that we need continued investment in technology to take training and education programs to the next level. By ensuring, our training and education program is relevant to the digital age, we will ensure the continuing value and popularity of the program.

ICC’s Certification and Testing program provides the building safety community with a reputable, fair, technically sound and defendable means for assessing the competency of those working in building safety at the national, state and local levels. Having served more than 52,000 certified individuals, the Code Council continues to maintain the highest level of credibility and respect within the industry. This year saw the release of an updated suite of certification exams based on the 2012 I-Codes® and utilizing Pearson VUE’s computer-based testing network. While serving the needs of jurisdictions that recently adopted the 2012 Codes, our Certification Program continues to offer exams based on the 2009 I-Codes to accommodate different adoption cycles of the jurisdictions we serve. We are also pleased to report a continued interest in our Certification and Testing program beyond the borders of the United States.

One business unit that is critical to the Code Council’s financial well-being is our ICC Evaluation Service®. This year, under the direction of its new President, Shahin Moinian, the Code Council launched two major new programs to further enhance service to code officials and manufacturers. ICC-ES™ launched its new Inspection and Listing Programs that offers Code Officials a wider suite of support services from a trusted source, while offering manufacturers the convenience of a one-stop shop. These two programs will further enhance ICC’s quality of service, strengthen its financial position, and—in the case of the new Inspection program—help ensure that ICC-ES meets the new requirements of ISO 17065.

The Code Council business units used the last year as a time to grow, adjust and anticipate the ever-changing needs of our Members. If we were a baseball team, 2013 would be considered a “building year.” We expect the measures taken in the past year will provide a solid foundation for 2014 and many years to come.

Mark A. Johnson
Executive Vice President &
Director of Business Development
International Code Council
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As Secretary/Treasurer of the International Code Council Board of Directors, it is my privilege to report to the Membership on the financial position of the organization.

The ICC Board remains focused on our Mission to provide the highest quality codes, standards, products and services for all concerned with the safety and performance of the built environment.

We continue to be challenged by economic conditions. Constrained state and local government budgets have created challenges for the ICC and its members to adapt with limited staffing while managing unpredictable workloads. We have begun to see signs of a sustained recovery in the housing and commercial real estate markets. We remain optimistic that the U.S. economy will continue to improve. We are confident that, working together, we will continue to meet the challenges and succeed in our Mission.

The ICC Board has been sensitive to the financial challenges our members have faced. We have done our best to maintain a robust package of member benefits, including a full-day Chapter Education benefit, free code opinions, membership pricing on our products, the Code of Honor Scholarship program, Chapter outreach efforts, the ICC Annual Conference and other Membership Department support programs. We continue to invest in technology to foster greater access and participation in the code development process. We also are changing our publications business to adapt to the market trends as we continue to move into digital publishing.

In 2012, ICC consolidated revenues were $50.8 million, a decrease of $9.0 million compared to 2011. The 2012 expenses were $57.0 million, a decrease of $1.9 million compared to 2011. In the second half of 2013, the three year code adoption cycle begins to improve substantially from its low point in 2012. We expect revenue from the sale of goods and services to reach our 2013 budget target and we anticipate that we will meet or exceed our operating profit target for 2013. In 2013 we sold an investment property that was underperforming, resulting in a $2.1 million gain on the sale. The improved operating profit and the sale of property will allow us to replenish some of the cash reserves used in the 2012 downturn.

We continue to manage working capital, accounts receivable and inventory to help maintain our cash reserves. Our year-end accounts receivable balance due from customers decreased by $2.2 million in 2012 compared to 2011. Inventory, net of reserves, has decreased $0.8 million from 2011. Working capital management is of critical importance in maintaining our cash flow. As a percentage, inventory and accounts receivable are less than 8% of total revenue in 2012 and below 18% of revenue for the eighth consecutive year. A graphical breakout of 2012 revenue by category as a percent of total revenue is displayed below. ICC’s consolidated 2012 audited financial statements are also included as part of this 2013 annual report.

![Pie chart showing percentage of total 2012 ICC revenue]

A strong financial base allows us to provide services that help Members achieve their career goals and support their efforts to build safer communities.

Guy Tomberlin, CBO
Secretary/Treasurer
International Code Council
MEMBER SERVICES

All activities of our dedicated Member Services staff focus on a primary purpose: to provide exceptional support to ICC’s most important resource—our Members. The department includes Member Services, Chapter Relations and the ICC Customer Call Center. Member Services maintains Membership accounts for existing ICC Members and actively recruits new Members. Voting eligibility for Governmental Member Voting Representatives as well as Member benefits also are managed through Member Services.

The ICC Customer Call Center manages inbound telephone calls, answering basic questions and directing customers to the appropriate subject matter expert, as needed.

Chapter Relations works with Chapters and Regions as they provide significant support for the code development process, I-Code adoptions and other important Code Council activities. Chapters receive valuable benefits and services designed to help strengthen all ICC Chapters.

Accomplishments

Member Services
Member Services staff maintain a database through which the nearly 57,000 individuals who receive Member benefits access tools such as discounted online ordering in the ICC storefront, complimentary code opinions, free assistance in the Career Center, access to the online magazine and newsletters, and third-party vendor discounts. Recently, ICC added a new benefit: discounts on reservations at a variety of Wyndham hotels. Members Services will also play an important role in the upcoming cdpACCESS™ benefits, soon to be available to our Members.

Customer Call Center
The ICC Customer Call Center representatives are available 12 hours a day, Monday through Friday, covering working hours in all time zones where ICC offices are open. Representatives handle an average 5,500 calls per month or 66,000 annually. In addition, in April 2013, the Call Center offered a new Live Chat service that appears on all the main pages of the ICC website, making direct contact with the Code Council even easier.

Chapter Relations
The number of ICC Chapters grew to 352 over the past year. Those added were Region II, the Louisiana Building Code Alliance and the MetroWest Building Officials Association. Code Council Chapters, by type, consist of 204 local, 106 statewide, 20 professional, nine regional, eight international and five student chapters. Much of the past year has been spent evaluating the Chapter program with the goal of making it simpler and more user-friendly. Feedback from Chapter officers and members is always welcome; the email address is chapters@iccsafe.org.

Looking Forward

Our focus is to support programs that respond to the needs of our Members and Chapters and incorporate a direct, personal approach with each service we deliver.

Karla Higgs
Vice President
Technical Services consists of two primary activities: Codes and Standards Development, and Architectural and Engineering Services. The Technical Services professional staff is responsible for the foundation of the ICC core mission with the development, maintenance and support of the entire family of International Codes®, corresponding code commentaries and ICC Standards. We also pursue resolution of technical issues as directed by the Board through ad-hoc committees, Code Action Committees and the Code Technology Committee. Technical Services provides technical support services, including free code opinions for Members, committee interpretations, plan review and technical consulting. Our skilled and experienced team is dedicated to providing timely information of exceptional quality to ICC Members and all code users.

We are in the process of concluding the 2015 edition code change cycle. Administering the code change cycle in exact compliance with code development procedures in support of 15 individual codes is a challenge the Department is always prepared to achieve. The last cycle concluded with the publication of the 2012 International Codes. New to this cycle is the completion of the move to a single, three-year code development cycle. This is the only chance to impact the 2015 codes, starting with the Group A codes in 2012, followed by the Group B codes in 2013, and the Group C codes in 2014.

Our team provides staff support to code development committees and numerous codes and standards committees. We support the activities of the new Codes and Standards Council and the four new Code Action Committees. The Code Technology Committee will meet three times this year along with study group calls on various topics. Continuing this year is the Ad Hoc Committee on Health Care. Three meetings are scheduled along with work group calls to examine code issues resulting from the current cycle.

Standards development continues to be very active. Most recently, ICC filed a Project Initiation Notification with the American National Standards Institute (ANSI) for a building commissioning standard and for two minimum standards (Solar Thermal Collectors and Solar Water Heating Systems) that are being developed jointly by ICC and the Solar Rating Certification Corporation. The following ICC standards are maintained through the ANSI process, as directed by the ICC Board of Directors: ICC 300-2012: Bleachers, Folding and Telescopic Seating, and Grandstands; ICC 400-2012: Standard on the Design and Construction of Log Structures; ICC 500-2008: ICC/NSAA Standard for the Design and Construction of Storm Shelters; ICC 600-2008: Standard for Residential Construction in High-Wind Regions; and ICC/ANSI A117.1-2009: Accessible and Usable Buildings and Facilities. The 2012 ICC 300 and ICC 400 are currently referenced in the 2012 I-Codes, along with the 2009 ICC A117.1. The ICC 500, ICC 600 and ICC A117.1 are being updated and expected to be referenced in the 2015 I-Codes. The Landscape Irrigation Sprinkler and Emitter Standard (ICC 802) is in development and expected to be referenced in the 2015 I-Codes.

Accomplishments

The Code Council’s technical support is one of the most sought-after services we provide to our Members. Our knowledgeable technical staff provides expert advice, code opinions (verbal or written) and committee interpretations to more than 50,000 ICC Members as a benefit, at no additional cost beyond the Membership fee. Code opinion calls received average 75 per day. Additional opinions provided by phone, on the website and letters bring that average up to 255 per day or 65,000 per year. Requests for committee interpretations average six per month. Since the first request in 2002, we have processed at least 632 requests. Currently there are 220 committee interpretations posted on the ICC website. Pending interpretations also are posted for Member review and comment.

ICC Technical Services also provides on-demand plan review services to aid Members and other jurisdictions in the timely examination of construction documents submitted with a building permit application. The Code Council’s plan review team provides the highest quality reviews with extensive, first-hand experience and unmatched knowledge of the codes. We also offer fee-based technical consulting for the evaluation of code topics as applied to a specific project or circumstance. More information on all our services is available on the ICC website.

Of great significance is the development, in cooperation with other ICC departments (Information Technology, Publications and Communications) of cdpACCESS®. This system of participation in the ICC Code Development Process without attending hearings in person is expected to revolutionize the ability of voting Members to impact the process and the resulting code content.
Challenges

In addition to the design and implementation of cdpACCESS™, the development of the 2015 codes and commentaries, and providing technical support to Members are our primary objectives.

Looking Forward

The initial implementation of cdpACCESS™ by using the Group C hearings as a pilot test is the most exciting challenge we face. cdpACCESS™ can have as much impact on the ICC in 2015 as the consolidation of BOCA, ICBO and SBCCI had in 2003. cdpACCESS™ includes three primary components:

- Online submittal of codes changes and public comments;
- Online collaboration among self-interested parties and stakeholders; and
- Online voting of Committee Action Hearing Assembly Floor motions and Public Comment hearing final code change votes.

cdpACCESS™ will go "live" on November 15, 2013 and will be utilized for the entire 2014 Group C Code Development Cycle for the International Green Construction Code™.
The Certification and Testing (C&T) Department provides the industry’s most valid, fair, reliable and defensible building safety examination programs used for assessing competency of individuals at the local, state, national and global levels. C&T produces, maintains and administers examinations for the certification, contractor/trades and Underground Storage Tank (UST)/Above Ground Storage Tank (AST) fields. For 52,000-plus individuals holding more than 161,000 current certifications, C&T also manages a renewal process requiring continuing education over the life of the certification.

In 2013 a number of large projects were completed to enhance and upgrade the user experience. Additionally, while the UST program is subsiding because of a 2012 EPA deadline, the contractor/trades programs are increasing in volume as the economy continues to recover. C&T administered approximately 39,000 exams in 2012, and expects to maintain a strong volume in 2013. Notable accomplishments include improvements to the functionality of testing programs for both candidates and clients, as well as the continued building of relationships with partners who have goals similar to those of the Code Council. C&T is pleased to report the following 2013 highlights:

- Release of a full suite of certification exams based on the 2012 I-Codes on the Pearson VUE computer-based testing network, while retaining exams based on the 2009 I-Codes, giving candidates a choice of electronic exams to meet the local jurisdiction’s adopted codes.
- Launch of the Get Everyone Certified campaign, designed to recognize code enforcement departments with 100 percent of their technical staff ICC-certified.
- Accreditation of ICC’s Fire Inspector I and Fire Inspector II certifications, to expand portability of credentialing throughout the world.
- Creation of a new pre-authorization database and file transmission system for contractor/trades clients with prerequisite requirements for licensure.
- Continued growth of the Canadian certification program, including the signing of an agreement with the Plumbing Officials Association of British Columbia (POABC).
- Migration of the contractor/trades program to an enhanced Pearson VUE computer-based testing platform, resulting in a more user-friendly exam registration process and more than 80 additional test sites available for ICC candidate use.
- Enhancement of electronic plan sets for the certification program, and digitization of plan sets for the contractor/trades program.
- Improved Certification and Testing web pages to better serve Members and other customers.
- Release of an online score authentication tool through Pearson VUE, allowing clients and candidates to verify the authenticity of a Pass/Fail score report.

The C&T team continually sought process improvements and functions to better meet the needs of ICC Members and stakeholders while upholding our program’s strengths. Technologies were leveraged so that the Exam Development committees could efficiently review hundreds of test questions in a secure environment. C&T aggressively pursued new contractor/trades business across the country, and developed a suite of exams covering content for commercial fire sprinklers and fire alarms. C&T drew on existing ICC partnerships for input into potential certification opportunities, and will continue to seek creative solutions to the mutual benefit of certificants, candidates, and public safety.

Looking Forward

We look to 2014 with key goals and objectives in sight: refining and improving the skill set of the Certification and Testing team; continued exploration of innovative testing delivery methods; release of a suite of exams based on the 2015 I-Codes; and working with outside partners to develop new certification programs to increase ICC’s work toward safety and sustainability in the built environment.
The Training and Education (T&E) Department develops and delivers today’s most comprehensive collection of training materials related to the *International Codes*® to support the success of Members and all participants in their careers. Our vision is to create training experiences that are relevant and practical to provide educational opportunities that are the most sought-after in the building safety industry. T&E CEU services are recognized by the International Association of Continuing Education and Training (IACET). The T&E Department uses multiple delivery methods to accommodate the diverse needs of its audiences. Here are some of the 2013 improvements and enhancements:

**Onsite Training** includes seminars available on the 2012 and 2009 I-Codes:

- **Fundamentals series** *(one-day seminars highlighting basic code provisions)* was enhanced by newly developed training based on several Product Development Publications, including Building Codes Basics, Commercial, Residential and Fire.

- **Performing series** *(multiple-day seminars using a “how-to” approach)* covers basic information redesigned to incorporate more participant engagement and eLearning opportunities.

- **Significant Changes/Update series** *(seminars that overview major code changes)*, a popular series based on the best-selling Significant Changes publications, was expanded to include the 2012 *International Energy Conservation Code*® /ASHRAE 90.1-2010.

- **Administrative series** *(one-day seminars addressing leadership and management skills)* - revised the Permit Technician course and added a computer simulation to the When Disaster Strikes Institute.

**Online Training** now includes innovative eLearning on wind mitigation, storm shelters, structural engineering and IBC topics. ICC Campus Online also supports customized, state-specific training, live webinars, on-demand webinars and certification exam study courses available 24/7 at [www.icccampus.org](http://www.icccampus.org).

**Institutes** are intensive sessions bringing learning communities together for education and networking opportunities, usually in a multiple-day format centered on a specific area of expertise. This year, a training needs assessment was conducted to ensure institutes remain exceptional for participants.

**Annual Conference Education** this year offers seminar titles beyond traditional training topics. 2013 Conference attendees have the opportunity to choose from innovative site tours, advanced and specialized Code training, and topics focused on Superstorm Sandy, a relevant, regional topic.

**Customized Curriculum** programs meet the specific needs of jurisdictions. The customized curriculum program addresses customer needs for flexible training hours, specialized topics and adjustments to existing programs to fit jurisdictional challenges.

**Blended Learning** maximizes classroom time with an expert instructor. Blended learning combines self-study and classroom training. The basic content is presented to participants before classroom training via the ICC Campus Online. It is then followed by a more in-depth classroom experience. This innovative instructional approach will be explored further with training on the 2015 I-Codes.

To better address the needs of our Members and all customers, specific areas of focus were identified for 2013:

- **Continued emphasis on the technical integrity of our programs** through closer alignment with technical experts from ICC’s Product Development Department. This collaboration resulted in new seminars including Assembly Spaces, Care Facilities, Flammable Finishes, High-Piled Combustible Storage and Significant Changes to A117.1- Accessibility Standard.

- **A more flexible delivery approach** was developed in direct response to Member comments and needs. The new instructional design approach allows flexibility in the style of delivery in three ways: 1) presentations with workbooks as an integral part of the core training experience; 2) presentations with workbooks as an option to enhance the training experience; and 3) presentations without workbooks, providing a more affordable training experience. The sponsor can decide how the course should be delivered.

- **Greater member access to training** to reach more Members. T&E offered several institutes and one-day seminars as open enrollment programs to allow individual participants to register for and attend training, without the need for a sponsored event.
• **Broader focus on eLearning** resulted in an ICC Campus Online redesign and migration to a new digital platform to better accommodate Members and enhance the user experience. In addition to certification exam study opportunities, there was an increased focus on the development of eLearning and other web-based programs.

• **Building on the strength of partnerships** and collaboration with partner associations and organizations allowed for more training opportunities on specific, specialized topics. Partnerships included APA—The Engineered Wood Association on the 2012 IRC Wood Wall Bracing course; California State Agencies on the webinar for code adoption processes; and the California Building Officials on training manuals for California Building and Residential Significant Changes. Plans are in the works with ASHRAE for a joint Significant Changes program on the 2012 IECC and 2010 ASHRAE/IES 90.1 Standard.

**Looking Forward**

We will continue to build on the strong history of technical expertise in the development and presentation of code-based training. We remain committed to creating and implementing a comprehensive program of educational offerings that are both relevant and practical for our Members and all participants. Through the presentation of code-related content in both instructor-led and online formats, we are striving to more effectively satisfy the needs and expectations of a diverse audience.
The **Government Relations** (GR) Team serves Members and advances the mission of ICC by supporting the adoption and use of the *International Codes®* and the code development process. GR promotes related ICC services and advocates on behalf of our Members’ interests. The GR team accomplishes this through targeted, direct advocacy and forging strategic alliances with entities that have objectives compatible with the Code Council’s vision and mission.

**GR Services Provided to Members**

The GR staff is available to support our Members and to collaborate with our Chapters and stakeholders on adoption-related issues, to facilitate interaction with other ICC departments and provide an integral interface between ICC, its Members and constituents, including:

- Creating partnerships and forging strategic alliances with groups that share ICC’s commitment to public safety.
- Strengthening and expanding ICC’s role as an advocate for and expert on building safety.
- Advocating for governmental public policy development support.
- Identifying legislation that may affect Members or the association.
- Identifying trends to assist Members with managing and coordinating their legislative agendas with associations, stakeholders and decision makers.
- Developing and maintaining strategic relationships with businesses, design professionals, policy advocates, homebuilders, building owners and managers, and state and local agencies to strengthen key relationships with our Members and ICC.
- Serving as liaisons to ICC Chapters, state and regional associations, and state and local units of government.
- Assisting in the dissemination of information to ensure collaborative and cooperative discussion on issues of mutual interest to ICC Members and all code users.
- Facilitating and providing I-Code technical support to Members on code application.
- Providing technical briefings on current topics and codes that assist with achieving professional goals.
- Providing technical and nontechnical information to state agencies, councils or commissions with authority to adopt and/or implement codes.
- Addressing questions and comments on national and local issues.

**Accomplishments and Highlights**

Government Relations communicates regularly and frequently with our Members through attendance at Chapter meetings and events, the Grapevine column in ICC eNews, a monthly report sent to ICC Chapters and through our website. ICC’s statements as well as other information concerning legislation and federal, state and local activities are provided on the Government Relations Web page at www.iccsafe.org/gr. The GR staff also authored several articles for the *Building Safety Journal Online* and other ICC and external publications.

The GR Department provides staffing assistance to several ICC committees and councils including the Building Officials Membership Council, Fire Service Membership Council, PMG Membership Council, the Fire Code Action Committees and Regional Work Groups, the Major Jurisdictions Committee and several committees engaged in the development of PMG-related standards. Annually, the Government Relations Department prepares work plans for each state and program area. This year ICC consolidated some program areas and as a result the Plumbing, Mechanical and Fuel Gas (PMG) group became part of the Government Relations Department. The work of PMG is closely aligned with GR’s objectives, including a focus on adoptions, grassroots networking and supporting Technical Services.

The **State and Local Activities** team is responsible for the implementation of the Code Council’s state and local goals such as securing new and retaining existing code adoptions, and raising the level of awareness of the Code Council’s infrastructure to support jurisdictions and all I-Code users. The State and Local staff interact on a regular basis with broad-based coalitions that represent diverse interests.
Adoptions in the first half of 2013:

- One or more of the 2012 I-Codes were adopted statewide in Delaware, Illinois, Maryland, Missouri, Mississippi, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Washington, and in Wyoming.

- At the local level, the 2012 I-Codes were adopted in Alabama, Arizona, Colorado, Illinois, Iowa, Kansas, Nevada, New Hampshire, New York State, Tennessee and in Texas.

- The 2013 California Building Standards Code was published in July and will go into effect on January 2014.

- Two new adoptions in Washington State - the state transitioned from a state written code to the International Energy Conservation Code®, and Bellingham adopted the International Plumbing Code.

- New York city introduced legislation to begin review and update of its building codes.


GR staff accompanied the Federal Emergency Management Agency (FEMA) Mitigation Assessment Teams on inspection tours of damaged structures after Superstorm Sandy. ICC staff provided code adoption history and enforcement information, as well as input into FEMA's reports. Our Department also assisted the Federal-Private Sector Tornado Task Force in Oklahoma and served on the Building Resiliency Task Force (BRTF) formed by New York City Mayor Michael Bloomberg and City Council Speaker Christine C. Quinn. (A report highlighting the work of the BRTF may be viewed at http://issuu.com/urbangreen/docs/brtf_full_report.)

The Federal and Congressional plan guides ICC activities with the Executive Branch and Congress. Objectives include:

- Increasing awareness and recognition of ICC codes, services and programs.

- Referencing the I-Codes in regulations and directives.

- Encouraging ICC membership and participating in code development.

The GR staff represents ICC on many coalitions and councils including: the ICC Industry Advisory Committee, ICC Federal Codes and Standards Forum, the U.S. Planning Committee for World Standards Day, the High Performance Building Congressional Caucus Coalition, BuildStrong Coalition, The National Hazard Caucus, the Consultative Council of the National Institute of Building Sciences (NIBS), National Council of Governments on Building Codes and Standards, High Performance Building Council, National Association of State Energy Officials Energy Codes Group, Congressional Fire Services Institute Fireside Group, American National Standards Institute Caucus, American Society of Association Executives Public Policy Committee, National Safe and Healthy Housing Steering Committee, National Advisory Committee of the Congressional Fire Services Institute, the Steering Committee of Vision 20/20 and others. GR staff holds the Vice Chair seat of the NIBS Consultative Council, and participated in developing the priorities and recommendations on behalf of the building community to the Executive and Legislative branches of the Federal Government. We also continue to work with the Center for Campus Fire Safety to enhance safety on college and university campuses through effective model code administration.

Building Safety Month - GR worked closely with ICC’s Communications and Marketing departments on Building Safety Month (BSM) 2013. The general theme, Code Officials Keep You Safe Where You Live, Work and Play, was publicized throughout the month and supported by a weekly theme: Fire Safety & Awareness; Disaster Safety & Mitigation; Backyard & Pool Safety and Energy & Green Building. More than 187 official statements recognized Building Safety Month, including a Presidential Proclamation. Our Members celebrated with mayoral meetings, community gatherings, exhibits and other community outreach programs. ICC staff and the Board’s Executive Committee visited the building and fire laboratories at the National Institute of Standards and Technology (NIST) and U.S. Department of Commerce. The ICC Board’s Executive Committee also met with officials at the U.S. Department of Energy’s Energy Efficiency and Renewable Energy Building Technology Program and the Environmental Protection Agency Water Sense program leaders. More than 19,000 individuals visited the BSM webpage.

Community Building Code Grant - ICC partnered with Sustainable (S2) Strategies to produce a guidebook and very successful webinar designed to assist our Members with participation in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG) process to obtain funds for code enforcement. The webinar was co-hosted with HUD and attracted 700 attendees. ICC continues to offer assistance to our Members through the partnership with S2 Strategies.
Filings and Testimony – ICC filed comments on FEMA-National Incident Management System Structural Condition Evaluator Job Description; Office of Federal High Performance Green Buildings, Green Building Advisory Committee; HUD proposal to accept local inspections and utilize ICC Certified Residential Combination Inspectors for the Federal Housing Administration insurance program; and comments to the Energy Independence and Security Act Ad-Hoc Review Group on Green Building Certification Systems. ICC also presented testimony at a Congressional hearing in support of HR 2065, Safe Housing for Homeless Veterans Act. At the time of this report, the House Veterans Affairs Subcommittee on Health passed the amended HR 2065 to require nonprofits and state and local governments that provide housing and services to homeless veterans (and receive funding from the Veterans Affairs Department) to certify annually that they comply with relevant codes, including building codes. No action by the Senate at this time. We also presented testimony before the Chemical Safety and Hazard Investigation Board on recommendations the agency was making to OSHA related to atmospheric storage tanks and industry and construction standards for fuel gas safety.

Another example of a federal action impacting ICC and our Members was a final rule issued in July by HUD that requires, upon completion, all rehabilitation work performed on HOME assisted projects to meet all state and local codes. In the absence of state or local building codes that address rehabilitation, the work must comply with several I-Codes including the IEBC, IBC, IRC, and IPMC.

As part of our External Relations, we maintain relationships with ICC’s founding members; strategic partners; fire service organizations; plumbing, mechanical and fuel gas groups; codes and standards developers; industry members; and others. Staff interacts and participates in communications efforts, cross departmental initiatives within ICC, and positions the association for potential business opportunities with key organizations.

In 2013, we continued building relationships with public interest groups such as the National League of Cities, the International City/County Management Association, and the National Association of Counties. We also reached out to the Floodplain managers.

ICC received two grants, one from the U.S. Department of Homeland Security and the other from NIST to promote adoption of the International Wildland-Urban Interface Code® (IWUI®). Workshops on the IWUI code and wildland fire suppression techniques were hosted in several states. We also completed a multi-year Department of Energy Hydrogen Project.

GR continued its work with the ICC High School Technical Program to promote the teaching of the International Residential Code® (IRC®) to technical high school students. Students are taught to build in compliance with the code. Under the guidance of instructors the students learn the IRC along with the IRC Study Companion. ICC offers a Certificate of Achievement to recognize the students who have successfully completed all program elements and passed the test pertaining to a specific trade: building, electrical, plumbing or HVAC. There are currently ten schools in the program and over 260 students. Over the next year, we anticipate doubling the number of schools.

Looking Forward

The Government Relations Department must always look ahead to identify what is on the horizon and, based on solid past experience, help ICC remain effective in an ever-changing environment. Our goal is to be a valuable resource to our Members-, their go-to association for all things related to the development and administration of construction codes.

Sara Yerkes
Senior Vice President
The Business and Product Development Division—Product Development, Publishing and Multimedia, and the Customer Service and Fulfillment Center—continued to build on its previous years’ achievements to serve the membership in the most effective and efficient manner possible. Harmonizing the technical expertise of staff with partner associations resulted in an array of new publications and services that further position ICC as the building safety and sustainability hub for building professionals. Business and Product Development departments’ operations were realigned this year with training and education. The development of technical content for dual purposes ensures our products and training materials are coordinated. It is also more efficient, allowing us to offer the best value to our Members.

To expand the breadth of our digital offerings, partnerships were forged with Standards Developing Organizations to make the many standards referenced in the I-Codes available from the ICC web store. Individual digital standards and collections of referenced standards are now available from many organizations such as ASTM International, Canadian Standards Association, American Society of Heating Refrigerating and Air-Conditioning Engineers (ASHRAE), APA—the Engineered Wood Association, The Association of Pool and Spa Professionals (APSP), American Wood Council (AWC), Gypsum Association, SMACNA (Sheet Metal and Air-Conditioning Contractors’ National Association) and NSF International. Many federal standards and guides referenced in the I-Codes can be downloaded for free from our digital library at http://shop.iccsafe.org/standards.html.

Also on the digital front, our ICC Market APP was redesigned to improve the user experience by adding content in both PDF and ePUB format. The Market APP now includes many ICC codes, state codes and support publications. The Interactive Guide to 2012 IBC, Means of Egress 2009 IBC APP, SMARTReview APP, Code Changes Resource Collection (a complete revision history from 2009 to 2012 of the IBC, IRC, IFC, IPC and IMC) and Fairchild/Bloomsbury Illustrated Code for Designers (two DVDs, 2009 IRC-based and 2009 IBC-based) are new digital offerings available on the ICC online store. We have also expanded the number of titles available in different formats, including the Amazon Kindle, Barnes and Noble Nook, and Apple iBook.


Publishing and Multimedia

The Publishing and Multimedia Division is composed of two functional areas – Publications (editorial, prepress, commercial printing and digital output) and Printing Services (in-plant and document management center). “Dedicated and determined” best describes ICC’s Publications Department. The most recent accomplishment was the production of the 2013 editions of the California Building, Residential, Fire, Green, Energy, and Administrative Codes and Referenced Standards. Publications is producing the 2013 California Building Code Significant Changes and the 2013 California Residential Code Significant Changes books, in cooperation with the California Building Officials. Publications is also working on five supporting IBC Structural/Seismic Design Manuals with the Structural Engineers Association of California (SEAOC). Specialty publications made available in the last year included the Guide to the Wind Design Provisions of the Hawaii State Building Code and a series of specialty pamphlets for the American Wood Council. Publications also is working on custom codes for Michigan, Arkansas, Oregon and Seattle and on the preproduction of the 2015 International Codes"
In addition to books, Publications worked with the In-plant Printing Services Department to publish book titles and support materials for Training and Education. In the last year, Printing Services produced approximately 72 unique projects per month. Many of these projects are being printed using “just-in-time” (JIT) methods of inventory control to reduce overhead. Printing Services also offers the Code Council the flexibility of quick turnaround, lower shipping charges, a familiarity with products and subject matter and a focused concentration on sustainability. Printing Services uses environmentally friendly supplies and most paper used is recycled content or from certified sustainable forestry sources.

Customer Service and Fulfillment Center

The customer service and fulfillment center is responsible for operating the ICC Distribution Center and processing Internet, telephone, mail and fax orders. We adjusted the size of our current operations to be more nimble and more responsive to membership and all customer needs. As a result, our operations are greener and more economical.

Between January and June 2013, the customer service department answered 21,600 calls and processed more than 35,000 orders. We continue to monitor our progress by including a survey card and interacting with Members at trade shows, code hearings, seminars and institutes. Through June 2013 we received 622 customer service survey cards that rate our services and give us insight toward best allocating our resources. To better serve our customers, we ship most orders the same day they are received and continue to have interactive dialog with customers who want information on our products. Added to this, we have kept our costs below budget and our sales are on target so far this year.

Looking Forward

We anticipate strengthening partnerships and leveraging our technical, publishing and delivery expertise to make available the best resources to our members and to all building construction professionals. Employing the latest technology and innovation, we will strive to bring the best of electronic and digital code publications and services to our industry in a variety of forms, including Apps and ePubs on eReaders, downloads, interactive guides, CD/DVD, and online tools.
The Marketing Department serves ICC, its Members, clients and all customers by understanding their needs and providing them with timely, relevant information on products and services that enable them to meet the challenges of building safety in their communities. Marketing serves as the voice of ICC. It advocates the ICC brand, mission and vision, educating those who may be unfamiliar with ICC, and engaging and empowering those who are already ICC supporters.

In 2013, the Marketing Department embarked on new efforts to implement technology that will allow ICC to communicate more efficiently and effectively with Members and all customers. The focus has been to provide the most relevant information at the time it is most valuable. This will be an ongoing endeavor that will foster a greater understanding of industry trends, help recognize the ways Members and customers prefer to interact with ICC, and provide more responsive, focused outreach efforts.

The Marketing team is being trained to use the latest technologies to produce cutting-edge marketing initiatives that are measurable, focused and productive. This comprehensive view of all marketing activities benefits the ICC Membership by efficiently using resources to support ICC’s strategic approach to delivering marketing communications and promotions.

The Marketing Department also fosters strategic partnerships and relationships throughout the industry to move forward initiatives that benefit today and tomorrow’s industry needs. From driving participation and support of the objectives of the Coalition for Current Safety Codes (www.coalition4safety.com) to the education of the next generation of code professionals through the High School Technical Training Program (www.iccsafe.org/HSTTP), the Marketing Department is committed to fostering the efforts of all concerned with public safety in the built environment and providing a tremendous public good through development, adoption, implementation and advocacy of our model codes.

The Marketing team has also implemented a number of successful campaigns to communicate the latest product and service information available to states and jurisdictions updating the model codes they use in their communities. For instance, in California, Marketing established a new outreach method to provide crucial information on the upcoming codes and support resources starting long before the actual availability date of the codes to allow jurisdictions to reserve funds toward the resources. These promotions were readily accepted by the market. Similar methods are being used to provide many other jurisdictions more flexibility when they purchase ICC products and services, thereby allowing ICC to best meet their needs at the time when they most value the resources.

Looking Forward

Marketing’s goal is to provide the smartest strategic and tactical solutions, enabling our various product and service lines to communicate their value to our Members and customers. Marketing also works to ensure that the Membership continues to receive valuable information and benefits in return for their investment in ICC.

Laurence Genest
Vice President
Looking back to just a few years ago, you would have been reading this annual report from your professional membership association in a booklet printed on glossy, slick paper with color photographs, graphics and illustrations.

Moving forward to today you are reading the 2013 International Code Council Annual Report on your laptop or desktop computer, or perhaps a tablet or maybe even your smartphone, unless you downloaded and printed this report from the International Code Council website. The Internet and technological advancements allow us to be “in touch” 24/7, both in our personal lives and in the workplace. The International Code Council Communications Team is constantly evolving to ensure Member needs are met, both in content and delivery options.

The five-person ICC Communications Team spreads the word far and wide about the accomplishments of ICC Members that results in a safe, resilient, sustainable and affordable built environment. Driven by strategic communications planning, the Team researches, develops, writes and disseminates publications, news releases, speeches, talking points, emails, web content, social media sites, video, reports and correspondence. It also develops media relations and responds to media inquiries.

For Building Safety Month 2013, the Communications Team created a strategic plan with a goal of raising awareness of the important roles code officials and code compliance play in creating safe, sustainable, resilient, and affordable homes and buildings. Several news releases were issued to trade and consumer media including one each week highlighting the various safety messages of this year’s Building Safety Month campaign. When an EF5 tornado hit Oklahoma late into Building Safety Month, an additional release was issued focusing on how storm shelters save lives when tornadoes and hurricanes strike. A news release also was issued announcing the Presidential proclamation recognizing Building Safety Month. Our news releases reached millions of newspaper and Web readers as well as radio listeners and TV viewers across the nation. We also saw news releases from several companies and organizations that were connected to Building Safety Month. Messages also were forwarded on Twitter, LinkedIn and Facebook to generate even more publicity for the campaign.

The Building Safety Journal Online

During ICC’s first six years as a consolidated association, the Building Safety Journal was printed and mailed to Members at a substantial annual cost. Due to the poor economy, the ICC decided to take the Building Safety Journal online to redirect resources and move forward into the digital age. In late-2009, the Building Safety Journal Online premiered as a digital publication and Member-only benefit. Just like the print version, the popular magazine features technical articles to assist Members in their jobs, current trends and hot topics in the industry. Members quickly realized the benefits of a digital publication. Many stored the Building Safety Journal print version on their office bookshelves for reference and dog-earred their favorite pages for quick access from their desks. Today, the digital version can be accessed from a computer or handheld device not only in the office but in the field where technical knowledge in articles can directly be applied to a work project. Readers can download the magazine and use bookmarks to file and organize articles of interest. They can print the digital version, share it and quickly search for key words. Building Safety Journal archives going back to 2003 are available in the newsroom on the ICC website. Like its predecessor, the Building Safety Journal Online continues to be a favorite of Members and an award-winning magazine recognized by the publishing industry worldwide. If you are not taking advantage of this valuable Member benefit and would like to receive a reminder when the magazine is published, send an email to lletz@icc.safe.org.
Digital Newsletters

In just two years, the *Codes & Standards News*—a building science journal from the Technical Services Division of the International Code Council—has become a must-read online periodical for Members and others in the building safety industry. *Codes & Standards News* delivers a concise collection of breaking code news, hearings highlights, significant changes, cdpACCESS™ news, the latest information on standards and guidelines, code committee updates, calls for committees, and important dates and deadlines.

**ICCeNews**, first published in September 2004, was launched to enhance communications with Members and industry stakeholders. Today, ICC eNews is distributed to more than 200,000 potential readers. Each issue features news and information on ICC Members, updates from the association’s departments, resources that support code knowledge and career opportunities, and a large collection of news stories from industry media related to safety and construction.

Communications also provides editorial support for digital newsletters published by ICC subsidiaries: **ICC-ES eNews for the ICC Evaluation Service** and **IAS eNews** for the International Accreditation Service.

Web and Social Media

The Communications Staff maintains several Web pages on [www.iccsafe.org](http://www.iccsafe.org), including the front page and newsroom. Almost 23,000 individuals visit the front page of the ICC website daily.

ICC social media sites—Twitter, LinkedIn, Facebook and YouTube—are gaining new followers daily and experiencing large growth. In just four years, more than 12,000 Members and friends are following ICC social media outlets. The largest growth has been on Twitter, which saw a 500 percent increase in four years to more than 8,000 followers today.

The ICC Codes & Standards Discussion Forum was created in September 2011 for professionals to share advice, ideas and information about codes, standards and safety. Since the launch of the Forum, it has garnered more than 1.2 million unique page views from thousands of users who visit every day.

Web and social media usage expands options for ICC to communicate with its Members and other stakeholders and will serve as a primary communications option for the next generation of ICC Members.

Looking Forward

*Looking back...* Communications monitors response to its periodical publications, news releases, Web and social media initiatives. *Moving Forward...* Metrics drive continuous improvements to Communications’ services. We remain focused on quality and technological changes to expand communications channels to best serve our Members and the industry at large.

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Steve Daggers  
Vice President
The focus of ICC’s Information Technology (IT) team is to improve all Member and customer services, enhance revenue and improve efficiency. A key priority was to improve Member services on several initiatives. The Electronic Voter Designation System allows eligible governmental Members to register online and confirm if they meet Council policies as eligible voters. The system was upgraded this year and jurisdictions that completed the 2012 voter designation application can have their primary contact return to this application and redesignate the voter. If there are no changes, the voter will automatically be returned to voting status. If the voter has changes, the voter will be returned to “pending” for further review. We are also in the process of upgrading our membership management system to enable up-to-date access for ICC Members.

cdpACCESS™ is ICC’s top priority project. The IT team, together with outside experts, has been working diligently on the design, development, testing and implementation of this code development process for the future. We have launched a database project to support cdpACCESS™. The way we deliver codes and standards for free, public access will also be replaced to streamline the delivery process and improve the user experience.

To allow attendees to access all events and conference-related information, eliminating the need to carry printed conference schedules, we developed an ICC Annual Conference and Business Meeting application for the iPhone, iPad and Android. It also allows attendees to select and download scheduled and planned activities to create a personalized calendar. The Website User Group assisted with testing both the Conference app and cdpACCESS™.

Working with the Training Department, IT also coordinated the launch of a new online university that offers several new features and functions. An application to check contractor eligibility for certifications was also developed and brought back in-house. In addition to cost savings, it improves the quality and timeliness of certification data.

The Electronic Media (EM) team is now part of the IT department. EM’s main focus is developing and supporting the use and application of ICC’s digital products. The ICCMarket application, which debuted at the 2010 Annual Conference, has been enhanced with new features, including the ability to purchase ePubs versions of ICC documents from iTunes to download to an iPad. Also featured in the new version of ICCMarket is the ability to directly connect to the ICC Twitter feed and the ICCMedia YouTube channel. There are 125 electronic publications available for the iPad and Apple platforms, with additional titles still being added. EM also provides CD-ROM and DVD production, with more than 10,000 units produced. Electronic Media provides video support for all ICC departments and subsidiaries, including webcasting code development hearings, ES hearings and IAS committee hearings. This year viewers from more than 30 countries participated in ICC webcasts.

Keeping an eye on security, an overall assessment of the ICC IT environment was conducted this year. We continue to consolidate and virtualize our infrastructure and look for additional opportunities to move to cloud computing to further improve the reliability, robustness and redundancy of overall Information Technology services. The IT team has delivered significant accomplishments and looks forward to delivering further improvements for our Members and all customers.

Looking Forward

cdpACCESS will continue to be our highest priority. Our resources will also be devoted to innovative solutions to benefit our Members and to optimize the association’s operations.

Sanjay Gupta
Senior Vice President
The **Finance Department** is the financial steward for the organization on behalf of our Members. Our primary goal is to meet the needs of our internal customers by providing useful and timely financial information and advice. We analyze alternatives and advise management on decisions regarding the allocation of the organization’s limited resources. We safeguard the assets of the organization by monitoring and maintaining a system of internal controls. The Finance Department is responsible for providing our Members and stakeholders with financial statements and meeting the regulatory reporting requirements of our bank and tax authorities.

**Accomplishments**

During 2012-13 we emphasized improvements in several key areas, including:

- Reduced the cost structure of the association, so its financial performance can be effectively managed throughout the business cycle.
- Provided ICC managers and stakeholders with relevant financial information on a timely basis to facilitate better decision making based on financial data.
- Continuously improved working capital management through better control of our investment in inventory and extension of credit to our customers. We have increased inventory turns and reduced the amount of cash invested in inventory. This was accomplished without any disruption in service to meet customers' needs. Our credit staff worked with customers to identify and resolve issues.
- Established a performance management tool to measure manager performance against goals and objectives.

**Challenges**

The slow economic recovery and cyclical nature of the business continues to present challenges for our association. We must manage our resources in an efficient and conservative manner. We must partner with ICC staff to provide the necessary information and financial tools to make the right decisions for the business. Together, we will endeavor to strike the right balance between conservative financial management and investing in the business for the future.

**Looking Forward**

*Our focus for 2014 will be guiding conservative and innovative management of the association’s financial resources.*

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**John Belcik**

Chief Operating and Chief Financial Officer.
The Human Resources (HR) function is committed to fostering a professional work environment that attracts and retains valued employees who are able to further the mission of ICC. HR supports this by the recruitment and retention of employees with skills and knowledge across a wide range of professional fields and specialties required to support ICC’s Members, services and product offerings.

We offer many services to employees including administration, support and advocacy in employment policies, terms and benefits. Initiatives include an updated and revised Employee Manual available to all staff on our new ICC staff website, reviewed and updated HR-related policies, an updated “new employee” process and expanded recruitment for technical staff. HR will also continue to enhance the information and self-service materials available to staff through both our internal staff website and links to vendor sites as we move toward electronic solutions to efficiently communicate important HR information to our work force.

As we move forward into a new year, HR will continue to focus its commitment to ICC’s greatest asset, our workforce—the ICC Staff Team. We will work closely with our outside service providers and vendors to deliver a high-quality benefit program and to effectively manage the cost of those benefit programs.

Looking Forward

As we move toward the future, Human Resources is focused on increased visibility and expanding our role as a business partner helping ICC achieve its mission, value and business goals through utilizing internal resources. We will accomplish this by creating an environment that values our employees as resources vital to our association’s success while simultaneously working toward creating an atmosphere that rewards hard work and positive morale.

Kerrie A. Hiatt
Director
Meeting Services provides meeting planning and travel coordination to all of the association’s internal and external clients. Meeting Services has a dedicated team that continues to provide management for the variety of meetings required to fulfill all the Code Council’s needs. We negotiate corporate rates with hotels and rental car companies that Members and all internal and external clients can benefit from.

Meeting Services plans and manages more than 100 meetings a year, including the 2013 Spring Hearings, 2013 Annual Conference and Group B Public Comment Hearings, numerous committee and councils meetings, training seminars, certification testing sites, Board of Directors meetings and staff meetings. We book more than 250 airline reservations annually.

Accomplishments
Meeting Services has been diligently planning the 2013 Annual Conference and Public Comment Hearing in Atlantic City, New Jersey. We unveiled our new mobile app for the Annual Conference and encourage you to download it. This app will enhance your Conference experience. Attendees will also be able to download education documents before the session this year. Meeting Services is also implementing multiple initiatives to make attendees experience at Conference more enjoyable.

Challenges
Meeting Services continues to use partnerships with hotel chains, rental car agencies, and convention centers to reduce costs and avoid significant increases in attendee expenses. We also have incorporated more limited-service hotels to ensure attendees have more options when it comes to lodging during the conferences and other events.

Looking Forward
Meeting Services plans to continue to work toward maintaining the quality of the meeting and travel experience, with attention to deeper discounts when feasible.

Jackie Claus
Manager
The “new” ICC-Evaluation Service has been in place for one year. And what a year it has been. ICC-ES® has been providing quality evaluation services for nine decades. It is viewed by code officials and manufacturers as the benchmark of product evaluation that other product evaluation providers around the world strive to meet. Following the creation of our new mission, it became apparent that there was a greater necessity to pay even more attention to the needs of our clients. Our mission remains to provide relevant, reliable and timely information, developed through fair processes, that expedites the acceptance of construction-related products as meeting the building safety, affordability and sustainability objectives of the International Codes®.

We started the year with a list of initiatives related to better customer service and more services in the area of building product conformity assessment. We continued our effort to replace our current information technology system. This was a major initiative which will pay dividends in the form of speeding up the internal process with the eventual goal of making application status visible to our clients on a real-time basis. The first phase of this project is to be completed by the end of this year (2013).

As promised last year, ICC-ES developed a building product listing program. Many manufacturers already have listed their products using the program. This program was put together at the request of manufacturers to provide a comprehensive product evaluation to International Codes for products that do have a consensus standard. Code officials know that our product evaluations are comprehensive and that products under the Evaluation Service Listing (ESL) comply with the applicable International Code family, which is what code officials are interested in. This listing service follows the expedited process where ICC-ES can publish reports within eight weeks from the submittal of application. This service is inexpensive and comprehensive.

ICC-ES continues the process of optimization and flexibility to increase the speed of evaluation and further enhance the quality of the review. We have strengthened our staff with top-notch engineers to better address the needs of our clients.

We recently announced an updated inspection program to be implemented in 2014. It will further enhance the quality of inspections while reducing the frequency and financial burden on clients. It will also bring the ICC-ES evaluation process into complete compliance with the international standard for conformity assessment bodies, ISO/IEC 17065.

We have established an expedited program for those wanting to launch their projects even faster and meet quick time-to-market requirements. This program is available for products with existing acceptance criteria. ICC-ES has been processing applications under the expedited program within six months.

The Plumbing, Mechanical and Gas (PMG) program continues to be the fastest growing business unit within ICC-ES. Many of its new clients are transferees from other agencies who want to receive a high-quality report at a reasonable price that is accepted throughout North America.

Thanks to a new relationship with the Solar Research Certification Corporation (SRCC), ICC-ES PMG now offers conformity assessment of solar panels and solar systems to the requirements of the International Codes and SRCC standards. The PMG group also has established a relationship with Standards Australia (SAI Global) to offer product certification to clients who market their products in Australia and Oceania.

The Environmental Program (formerly known as SAVE) provides service to clients who seek proof of compliance to the International Green Construction Code, CalGreen or other environmental codes and standards. In 2013 the program issued its first Product Category Rule (PCR) for treated wood in North America and published the first seal and insulate report. Demand for these reports is strong. Seal and insulate is an Energy Star program offered by the U.S. Environmental Protection Agency.

In today’s environment of “me too” product evaluation service programs, only one name stands out as the symbol of quality and ethics. That name is the ICC Evaluation Service. With our improved customer service and speed of evaluation, code officials and manufacturers need not look any further than ICC-ES.

We made many promises last year and we have delivered. We will continue to improve and take a different road to meet your needs and solve the challenges ahead. Continue this journey with us. We will together make a difference in the built environment. We promise you that.

Shahin Moinian
President
ICC Evaluation Service
International Accreditation Service, a subsidiary of the ICC, continues to support the association’s overall goal of safety in the built environment. Several new initiatives launched by IAS this year include accreditation programs covering personnel certification, building commissioning and management system certification bodies.

Demand for IAS accreditation has grown sharply thanks to our recognition by an ever-increasing number of regulatory bodies and a steady increase in demand for accreditation in all our core areas. With the introduction of new IAS services in management systems accreditation and the expedited work in progress in building commissioning, IAS’ customer demand for services has grown steeply this year.

IAS also is excited about leading and administering ICC’s Global Services, including direct support for the Global Membership Council. With its portfolio of global clients, IAS is poised to effectively promote and deliver ICC products and services throughout the world.

IAS is blessed with the best possible combination of Board, staff, committee and council members to steer the organization in the coming years. I would like to take this opportunity to thank my fellow members of the 2012-2013 board of directors who have served IAS with honor. I look forward to working with the accreditation committee, the councils and the very dedicated IAS staff to continue to make the organization the best in the business.

I also would like to acknowledge and thank our more than 700 clients worldwide for their support and for continuing to give us the opportunity to serve their accreditation needs.
I am pleased to report that we are continuing on the momentum built more than 10 years ago when IAS moved into the ICC family as a subsidiary. IAS is truly becoming the global brand of choice in the accreditation arena. Our performance shows that our organization continues to meet all of its quality objectives while moving from one success to the next. As I write this report, IAS has 703 accredited entities in 15 fields of accreditation. This phenomenal growth can be directly attributed to the wonderful contributions of our highly skilled staff, contract assessors and technical experts.

The mission of IAS is: **To provide the highest quality accreditation services for all concerned with public safety and sustainability through the principle of “One Test, One Inspection, One Certification Worldwide.”** IAS supports the “quality” mission of ICC and its membership – helping building and fire officials assure the products and services they need for code administration meet the highest standards of quality and integrity. Many of IAS’ accreditation services are available free-of-charge and designed to help ICC’s jurisdictional Members with responsibility for code compliance.

I am eternally grateful to IAS Board chairman John Barrios, the IAS Board of Directors, the Accreditation Committee and members of our Technical Advisory Councils for their timely support to the organization on a myriad of critical technical and business issues.

As always, the solid progress we have seen this year would not have been possible without the whole-hearted support of the talented and very loyal IAS staff, the ICC Board of Directors, ICC President Ronald Piester, ICC CEO Dominic Sims and the entire ICC family, especially our Members.

A special “thank you” goes to our clients, many of whom faced diminished growth in the midst of a challenging economy, but continued to rely on our programs and services.
IAS continued its growth during 2013, accrediting its 700th client. The belief of our customers in the IAS brand; the dedicated work of our staff and assessors; and the guidance of our Board, Accreditation Committee and Technical Advisory Councils; have been central to achieving this milestone. IAS’ finances are keeping pace with our projections based on our ability to continue providing the level of service our clients have come to expect and by launching accreditation programs in growing markets. The graphic below illustrates IAS’ 2012 financial performance.
We foresee that IAS will remain on track in 2013 even as we further expand our resources to improve service delivery goals and automate our systems by implementing new customer relationship management (CRM) software. IAS went live with the new CRM system in July. During development of CRM, we focused on how to optimize our business process by moving away from being a document-based organization to a data-drive one. The ability to design dashboards to monitor our activities and to make rapid adjustments, when necessary, is in line with IAS’ commitment to continual quality improvement. Future phases of the CRM implementation will include a web-based portal accessible to our customers 24/7 and an online tool for use during customer site assessments.

International Activities
IAS’ growth internationally has been market driven and enhanced by our signatory status to the international mutual recognition arrangements under the International Laboratory Accreditation Cooperation, the International Accreditation Forum (IAF) and their regional bodies. Companies outside the U.S. seek out IAS accreditation because their market(s) demand it. In some economies, IAS fills accreditation needs where there is no national accreditation body, but primarily fills the accreditation needs of companies whose market forces demand the service and recognition that IAS accreditation provides.

Fabricator and Metal Building Manufacturer Inspection
While momentum in the construction market is not expected to increase before 2014, demand for our accreditation program for metal building inspection under IAS Accreditation Criteria AC472 has shown an upward trend. Modest growth in the number of inquiries for the Steel Fabricator Program under AC172 has also been seen. Recognition of these programs in industry specifications such as SpecLink and ARCOM has helped increase the demand for accreditation. The U.S. Corps of Engineers is adding IAS accreditation language to its construction documents which may spur added interest in these inspection programs.

IAS accreditation programs for fabricator inspections are an acceptable path for authorities having jurisdiction (AHJs) to approve fabricators of structural steel, reinforced concrete, wood wall panels and other alternative systems of construction that would otherwise require special inspection. The criteria for fabricator inspection programs, like all IAS accreditation criteria, are developed in public hearings by an accreditation committee consisting primarily of AHJs and provides for credible accreditation programs to establish compliance with construction codes.

Laboratories
Continuing the trend established in the last few years, there has been a steady increase in applications from laboratories in nonconstruction sectors such as petroleum, food and alternative energy sources. Laboratory accreditation is our largest program and involves management of a complex group of technical scopes. Like our other accreditation programs, a strong technical advisory council provides oversight of the program which helps IAS field very competent assessment field teams.

Several IAS-accredited calibration laboratories are participating in an Asia Pacific Laboratory Accreditation Cooperation proficiency testing program. The Chinese National Accreditation System sponsors the program which involves the photometric measurement of solid state lighting products. This program is particularly important as IAS accredits several laboratories under the Environmental Protection Agency’s Lighting Facts program. It is IAS policy to require its accredited testing laboratories and applicants to demonstrate technical competence through satisfactory participation in proficiency testing, where and when relevant programs are available.

Inspection Agencies
The inspection agency accreditation program remains solid and we anticipate achieving our budget projections for new applications. Inspection plays an integral part in the accreditation of Product Certification Agencies. We are expecting to see increased activity for accredited inspection agencies in federal programs in the near future. ISO/IEC Standard 17020:1998, the base international standard for inspection agencies, has been revised extensively by a 2012 version. This has necessitated the development of a transition plan and generated training opportunities to bring existing, accredited agencies into compliance with the revised standard. IAS held a well-attended, two-hour training webinar on the standard that provided an overview and insight into the development, implementation and maintenance of an effective ISO/IEC Standard 17020 management system.
Product Certification Agencies
The Product Certification Agency (PCA) program continues to show modest growth with 15 PCAs, including their branches, accredited. There has been a recent increase in applications for this important accreditation program and we fully expect to meet our 2013 budget projections. Ron Coiner continues to manage the program and is the IAS liaison to the International Accreditation Forum (IAF) through its regional body, the Pacific Accreditation Cooperation (PAC). Ron also continues to serve on the PAC executive committee and has delivered several training programs on behalf of IAS for our PAC Multilateral Recognition Arrangement (MLA) members.

Field Evaluation Bodies (FEB)
This program was developed by IAS primarily because of inquiries from building officials and other regulatory bodies who need organizations that could provide field evaluations of special case electrical products and installations that would normally require listing by the code. In early 2013 and following a series of meetings with industry, IAS staff prepared substantial revisions to the Accreditation Criteria for Field Evaluation of Unlisted Electrical Equipment (AC354). The revisions transferred the description of the tasks for Field Evaluation Bodies (FEBs) to published national standards, namely, NFPA Standards 790 and 791. The revised criteria was then posted for 60 days on the IAS website for input by interested parties and then placed on the agenda of the IAS Accreditation Committee during its June 7, 2013, public hearing. The criteria was approved by the committee with an immediate effective date for new FEB applicants and a January 2014 effective date for existing accredited FEBs.

Building and Fire Prevention Departments
The renewed interest in the Building Department Accreditation (BDA) program has continued into 2012 with numerous applications received and new accreditations granted. During the 2012 ICC Annual Conference, IAS offered two sessions “Best Practices: Lessons Learned from the BDA Program” and “BDA Evaluator Forum.” The Best Practices session, which discussed the best practices IAS has found in permitting, plan review, inspection, customer service, management and administration, and information technology, was extremely popular. It will be offered again at this year’s ICC Conference. IAS continues to partner with the ICC Major Jurisdictions Committee on this important initiative.

IAS and the Building Officials of British Columbia’s (BOABC) joint effort to introduce the BDA program in Canada advanced in the last year. IAS received an application from an alpha client and completed the pre-evaluation and full evaluation for this client during the last year. IAS anticipates granting accreditation to the first international Building Department by the end of 2013.

While still in the formative stages, the IAS Fire Prevention and Life Safety Department Accreditation program is gaining attention. Potential applicants are State Fire Marshals, County Emergency Services and local stand-alone Fire Prevention Bureaus. At the 2012 ICC Annual Conference, IAS recognized the beta client of the program, the Village of Tinley Park (Illinois) Fire Prevention Bureau, for having achieved accreditation. In May 2013, the IAS/Center for Public Safety Excellence Technical Advisory Council – Fire Prevention Departments met to discuss applications, training and outreach efforts.

Special Inspection Agencies
IAS continues to provide accreditation services for agencies operating in New York City. This program has been very successful in fulfilling the regulatory requirements and rules published by the New York City Department of Buildings. IAS staff has done a commendable job in working with IAS clients, providing training seminars and maintaining a strong relationship with the Department of Buildings.

Other Important IAS Accreditation Programs
To better respond to requests for accreditation and to serve the needs of its constituents, IAS continues to expand the scope of its services. In the past year, new services have commenced for:

- Accreditation of Personnel Certification Bodies; and

The current status of existing programs for training agencies and curriculum development remains relatively unchanged, although there have been requests for scope expansions that have been processed for current clients. It is anticipated that more interest will be generated with the launch of the Management Systems and Personnel Certification programs under ISO/IEC Standard 17021 and 17024, respectively.
IAS Training Services
IAS training continues on an upward trend, especially with the recent launch of new IAS accreditation programs for Management Systems and Personnel Certification. Adding to the training services offerings in the second half of 2013 and moving into 2014 will be Risk Assessment training seminars and training to address newly revised standards for Inspection Bodies (ISO/IEC 17020:2012) and Product Certification Agencies (ISO/IEC Standard 17065). IAS training is targeted at quality managers, assessors, inspection personnel, product certification professionals, regulators in the product approval processes, and field inspection professionals.

ICC Global Services
At the beginning of 2013, ICC reconstituted the Global Services team under IAS, continuing ICC’s international commitments. The Global Services team has focused primarily on completing the deliverables to the Government of Abu Dhabi on the proposed Abu Dhabi I-Codes. The Global Services team works closely with ICC’s Global Membership Council (GMC), to support a variety of initiatives of value to the ICC membership. A new venture involving global inspector exchange proposed by the GMC has been enthusiastically welcomed by several jurisdictions willing to host building inspectors from other parts of the world. This program is slated to be launched in September, 2013. The Global Services team is working on development of informational material in several languages, including Chinese, Arabic and Spanish, for dissemination to a wide audience. As part of its continued support of the government’s initiatives in the Caribbean, South and Central America, Middle East and North Africa (MENA) regions, ICC representatives participated in U.S. delegations to the Asia-Pacific Economic Cooperation (APEC) and La Comisión Panamericana de Normas Técnicas (COPANT) [Pan American Standards Commission] meetings. ICC also was represented at the MENA conference sponsored by the U.S. Department of Commerce in Casablanca, Morocco. Feedback from these meetings indicates a high degree of recognition of ICC’s codes and services around the world. In response to an invitation from ASTM International, Global Services arranged for a senior member of the ICC staff to participate in a meeting with representatives of the Gulf Cooperation Council (GCC) and Gulf Standards Organization (GSO). Global Services also facilitated two training workshops in Mexico City on the International Energy Conservation Code® (IECC®) in 2013. This event was sponsored by ICC’s Mexican Chapter, CASEDI.

Global Services staff is gearing-up for the ICC Global Forum and the Global Membership Council meetings at the Atlantic City, New Jersey, ICC conference. The theme for the Global Forum is “Private and Public Partnerships in the Development and Application of Building Regulations in the World.” A number of distinguished presenters have accepted our invitations to speak at the Global Forum and we look forward to an interesting and productive meeting. In addition, participants from the Inspector Exchange initiative are expected to be present at the Global Forum to share their experience.
IAS BOARD OF DIRECTORS

John L. Barrios, C.B.O.
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Construction Services Manager
Inspectional Services Division
Tampa, Florida

Tim Bradley
Assistant State Fire Marshal
North Carolina Department of Insurance
Office of the State Fire Marshal
Raleigh, North Carolina

Rocco Davis
Vice President and Pacific Southwest Regional Manager
LIUNA
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Isam Hasenin, P.E., C.B.O.
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Dr. Izz Eddin Katkhuda
Partner and Director
Arab Center for Engineering Studies (ACES)
Amman, Jordan

James G. Toscas, P.E.
President
Precast/Prestressed Concrete Institute
Chicago, Illinois

Chuck Ramani, P.E., C.B.O.
(nonvoting member)
President
International Accreditation Service, Inc.
Whittier, California
NOTICE OF ANNUAL BUSINESS MEETING OF THE INTERNATIONAL CODE COUNCIL

SETTING THE TIME, DATE AND PLACE
The 2013 Annual Business Meeting (ABM) of the Members of the International Code Council (ICC), which is provided for by Article IX of the Bylaws, shall be held on October 1, 2013 at the Atlantic City Convention Center, 1 Convention Boulevard., Atlantic City, New Jersey, in conjunction with the 2013 ICC Annual Conference. The Annual Business Meeting shall commence at 8 a.m. and shall continue from day to day during such hours as shall be determined by the ICC Board President until completed. A copy of this 2013 ABM Notice shall be printed in the 2013 ICC Annual Report. The ICC 2013 Annual Report will be posted on the ICC website.

1. In accordance with the Bylaws, a quorum shall consist of 100 Governmental Member Voting Representatives.

2. The general nature of business to be conducted at the Annual Business Meeting shall include the following:

   a. Call to Order
   b. Reading of Meeting Notice
   c. Determination of a Quorum
   d. Introduction of Sergeants-at-Arms and Parliamentarian
   e. Approval of Minutes of Previous Meeting
   f. Report of the Nominating Committee
   g. Election of Officers and Directors
   h. Treasurer’s Report
   i. Report of the Board President
   j. Report of the CEO
   k. Consideration of Bylaws Changes, if any
   l. Report of the Resolutions Committee
   m. Report of the Honorary Members Committee
   n. Report of the ICC Subsidiaries
   o. Unfinished business
   p. Adjournment

In accordance with the Bylaws, the ICC Board President may ask Members to re-order the agenda at the start of the meeting.

3. In accordance with Article XVIII, ss. 18.1, amendments to the Bylaws of the corporation may be proposed by at least 10 Governmental Member Voting Representatives if presented to the Board of Directors at least 90 days prior to the opening of an Annual Business Meeting, or may be proposed through resolution of the Board of Directors at least 90 days prior to the opening of the Annual Business Meeting. There are no proposed amendments to the Bylaws for this Annual Business Meeting.

4. In accordance with Council Policy 23, Resolutions of the Members shall be considered during the Annual Business Meeting. Resolutions to be considered at the 2013 ABM include:

   - CONFERENCE SITE
   - IMMEDIATE PAST PRESIDENT
   - DECEASED MEMBERS
   - RETIRED MEMBERS
   - STANDING COMMITTEES
   - CODE CYCLE

In order to be considered by the Membership, proposed resolutions shall be submitted to the Resolutions Committee in accordance with Council Policy 23. Copies of these resolutions are printed in this 2013 Annual Business Meeting Notice and will be posted on the ICC website.

5. To transact such other business as may properly come before the Membership and adjournment. We hereby certify that the foregoing notice is in accordance with actions taken by the Board of Directors of the International Code Council.

Ronald Piester, AIA, Board President

Dominic Sims, CBO, Chief Executive Officer

Questions regarding the ABM notice may be directed to

Dominic Sims, CEO
(888) 422-7233 ext. 5267
dsim@icc safe.org
Annual Business Meeting

President William D. Dupler called the Annual Meeting of the Members of the International Code Council to order at 8:00 a.m., October 23, 2012, in conjunction with the ICC Annual Conference at the Oregon Convention Center in Portland, Oregon.

President Dupler called on Secretary/Treasurer Jones to call the roll of the ICC Directors to determine if there was a quorum. Secretary/Treasurer Jones called the roll of Directors and asked Governmental Member Representatives to stand. Secretary/Treasurer Jones then advised the President that a quorum was present.

President Dupler acknowledged Ronald Lynn, Building Official, Clark County, Las Vegas, Nevada, as the Parliamentarian; and appointed Emory Rogers, Deputy Director of Building and Fire Regulations for the Virginia Department of Housing and Community Development, and Adolf Zubia, a former ICC Board President, as Sergeants-at-Arms, and thanked them for their participation.

President Dupler called on Acting Chief Executive Officer Dominic Sims to provide an explanation of the use of electronic keypads for voting. A test of the electronic keypads was conducted.

President Dupler referred to the registration packets containing a copy of the business agenda for the 10th Annual Business Meeting of the Members of the International Code Council. Included in the packet was the notice of the Annual Business Meeting, minutes of the 2011 Annual Business Meeting, procedures governing the conduct of elections, Treasurer’s report, and proposed bylaw changes and resolutions. Since the report included the Meeting Notice, President Dupler waived reading the notice.

The minutes of the November 1, 2011, Annual Business Meeting were reviewed. A motion was made and seconded to approve the minutes as presented. The motion passed.

Election of Officers and Directors

President Dupler called on Immediate Past President Jimmy Brothers to read the report of the Nominating Committee. Immediate Past President Brothers thanked the members of the Nominating Committee for their work and read the Committee’s recommendations.

President Dupler, in accordance with Council Policy 19, Governing the Conduct of Elections, appointed Past Presiding Board Officers in attendance to serve as Tally Judges.

President Dupler called Immediate Past President Brothers to come forward and conduct the elections.

First Election
Immediate Past President Brothers announced the nomination of Ronald E. Piester as President for a one-year term. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Second Election
Immediate Past President Brothers announced the nomination of Stephen D. Jones as Vice President for a one-year term. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Third Election
Immediate Past President Brothers announced the nomination of Guy Tomberlin as Secretary/Treasurer for a one-year term. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Fourth Election
Immediate Past President Brothers announced the nomination of Jim Brown for a three-year sectional director term for Section B. He then made a request for nominations from the floor. The name of Ronald Hoover was properly entered into nomination. All candidates were invited to address the assembly for a limited amount of time. After electronic voting closed, the Immediate Past President announced the election of Ronald Hoover.
Fifth Election
Immediate Past President Brothers announced the nomination of Tina Rakes for a three-year sectional director term for Section D. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Sixth Election
Immediate Past President Brothers announced the nomination of Bill Bryant for a three-year director-at-large term. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Seventh Election
Immediate Past President Brothers announced the nomination of Greg Wheeler for a three-year director-at-large term. He then made a request for nominations from the floor. There were no additional nominations. There was a motion to close the nominations and the motion was seconded and passed unanimously.

Eighth Election
Immediate Past President Brothers announced the next election was for a one-year director-at-large unexpired term. The Nominating Committee recommended Sharon Myers. He then made a request for nominations from the floor. The name of Jim Brown was properly entered into nomination. The name of Steve Nordhues was properly entered into nomination. All candidates were invited to address the assembly for a limited amount of time. After electronic voting closed, the Immediate Past President announced the election of Jim Brown.

President Dupler called on Secretary/Treasurer Jones to provide the Treasurer’s Report. Secretary/Treasurer of the International Code Council Jones provided the financial status of the ICC as reported in the Annual Business Report.

2012 Treasurer’s Report
As Secretary/Treasurer of the International Code Council Board of Directors, it is my privilege to report to the Membership on the financial condition of the organization.

We continue to be challenged by economic conditions; the slowly recovering housing and commercial real estate markets have fostered some positive signs for the future of the construction industry. Constrained state and local government budgets have created challenges for the ICC and its Members. The slowly recovering economy and an improved outlook for the future bode well for tax collections and a recovery in the governmental sector.

ICC and its Members have risen to many challenges to adapt and do more with less. We are confident that, together, we will continue to meet the challenges and succeed in our Mission. The ICC Board remains focused on our Mission to provide the highest quality codes, standards, products, and services for all concerned with the safety and performance of the built environment.

During 2012, the Year of the Member, the ICC Board has been a strong proponent of enhancing and improving the benefits we provide to our Members. We have restored the full-day Chapter Education benefit, expanded the Code of Honor Scholarship program, improved our Member services with our new Call Center, and increased support of our Chapter outreach efforts. These new and expanded initiatives build upon the existing Member benefits such as code opinions, the ICC Annual Conference, and Membership Department support programs.

We continue to invest in technology to foster greater access and participation in the code development process. We are changing our publications business so it can adapt to the market trends in digital publishing. The new Codes and Standards Forum, ICC online store, and updated website will make it easier for our Members to communicate and transact with ICC.

In 2011, ICC total revenues were $59.4 million, an increase of $1.8 million compared to 2010. The 2011 expenses were $58.4 million, an increase of $100,000 compared to 2010. In 2012, code adoptions have been at the low point of the three-year cycle. In addition, the economy continues to have a negative impact on our operating results. We expect revenue from the sale of goods and services to be below our 2012 budget target.
In response, we have taken immediate actions to reduce our 2012 expenses by more than $3 million. We anticipate an operating loss in 2012 which will be funded from our cash reserves. The total cash and investments of ICC were $13.1 million on October 1, 2012. We continue to manage working capital, accounts receivable, and inventory to help maintain our cash reserves. We were able to decrease our year-end accounts receivable balance due from customers by $1.2 million in 2011 compared to 2010. Inventory, net of reserves, has decreased $800,000 from 2010 as extensive efforts to control our investment in inventory have taken hold. Working capital management is of critical importance in maintaining our cash flow. As a percentage, inventory and accounts receivable are less than 18% of total revenue for the seventh consecutive year.

Each year our financial statements are audited by an independent accounting firm. Our current firm is BDO USA, LLP. I am pleased to announce the ICC received an unqualified opinion for 2011. ICC’s consolidated 2011 audited financial statements are included as part of our 2012 annual report.

Thank you for allowing me to serve as your Secretary/Treasurer and I look forward to continuing to serve the association in the years ahead.

A motion was made and seconded to accept the Secretary/Treasurer’s report. The motion passed.

**CEO, Subsidiary and President’s Reports**

President Dupler called on Acting CEO Dominic Sims to provide the CEO Report. Acting CEO Sims addressed the membership.

President Dupler informed the membership that the reports for the ICC Evaluation Service and International Accreditation Service were posted online as part of the Annual Report. The ICC Foundation report was given at the Foundation luncheon.

President Dupler provided the President’s Report.

**Bylaw Amendment:**

President Dupler called on Bylaws Committee Chair Immediate Past President Jimmy Brothers to review the proposed bylaw amendment. The following amendment as posted in the Annual Report was presented to the membership:

Amendment 2012-1: Changes to Article XVIII – Amendments to Bylaws: A motion was made and seconded to approve the amendment. The motion passed.
Resolutions:
President Dupler called on Director Robert Drexler, Chair of the Resolutions Committee, to provide a report on the Committee. Director Drexler thanked the members of the Resolutions Committee for their work.

Director Drexler read Resolution 2012-1 concerning the Conference Site
A motion was made and seconded to approve the resolution. The motion passed.

Director Drexler read Resolution 2012-2 concerning Deceased Members
A motion was made and seconded to approve the resolution. The motion passed.

Director Drexler read Resolution 2012-3 concerning the Standing and Annual Conference Committees
A motion was made and seconded to approve the resolution. The motion passed.

Director Drexler read Resolution 2012-4 concerning the Immediate Past President
A motion was made and seconded to approve the resolution. The motion passed.

Director Drexler read Resolution 2012-5 concerning Retired Members
A motion was made and seconded to approve the resolution. A motion was made to amend the last sentence of the resolution to read “Continue to promote energy efficiency as a policy tool for a more “secure” future.” The motion to approve the resolution as amended passed.

Director Drexler read Resolution 2012-6 supporting nationwide adoption of the 2012 IECC
A motion was made and seconded to approve the resolution.
A motion was made to amend the last sentence of the resolution to read “Continue to promote energy efficiency as a policy tool for a more “secure” future.” The motion passed. A motion was made and seconded to approve the resolution as amended. The motion failed.

The Honorary Membership
President Dupler called on Director Gregori Anderson, Chair of the 2012 Honorary Membership Committee, to deliver the report of the committee. The Committee recommended the following individuals:

1. Bhola Dhume
2. Mr. Ronald Lynn
3. Mr. Dennis McCabe

A motion was made and seconded to approve the recommendations of the Committee. The motion passed.
The meeting was adjourned.
Resolutions of the Members

**Resolution 2013-1 of the Annual Meeting of the Members Concerning the Conference Site**

WHEREAS, the Members of International Code Council, Inc., did assemble at ICC’s 11th Annual Conference in Atlantic City, New Jersey, September 28 – October 2, 2013; and

WHEREAS, the Annual Conference provides a generous opportunity for code development, education, communication and enjoyment; and

WHEREAS, the Members of the New Jersey Building Officials Association did extend the hand of friendship and hospitality to all those in attendance; now therefore

BE IT RESOLVED, that those Members here assembled on October 1, 2013, at the ICC Annual Business Meeting, do hereby express their sincere thanks and appreciation to the Members of the New Jersey Building Officials Association for their warm greeting and hospitality.

**Resolution 2013-2 of the Annual Meeting of the Members Concerning Deceased Members**

WHEREAS, the Members of International Code Council, Inc., did assemble at ICC’s 11th Annual Conference in Atlantic City, New Jersey, September 28 – October 2, 2013; and

WHEREAS, those Members here assembled on October 1, at the Council’s Annual Business Meeting, do hereby pay tribute to the memory of the following departed Members and colleagues:

WHEREAS, these Members and colleagues had long and successful careers; and

WHEREAS, by their loyal devotion to duty and faithful discharge of their responsibilities added prestige to their association, community, and life; now therefore

BE IT RESOLVED, that we extend our most sincere sympathy to the friends and members of their families. May they find consolation in their time of sorrow and may these words of appreciation and high regard be of solace to them now and in the years to come.

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Kevin Brutting  
Peebles, New York

Lou Caraisco  
Ossining, New York

Daniel Castrillo  
Daphne, Alabama

Matt Craddock  
Philadelphia, Pennsylvania

Charles DeLoach  
Cherokee Village, Arkansas

Edward Dominelli  
Bethlehem, New York

Greg France  
DeBary, Florida

Christine Gilbert  
Concord, California

Greg Hammel  
Cheyenne, Wyoming

Stanley Hasbrouck, III  
Highland, New York

E.E. Bud Howell  
Haines City, Florida

Karen Law  
Sanibel, Florida

Sid Ludwig  
Penfield, New York

Herb Muroka  
Honolulu, Hawaii

Roy O’Steen  
Ridgely, Tennessee

James E. Russell  
Concord, California

Marvin Rust  
Potsdam, New York

Ronald Wagenhoffer  
Philadelphia, Pennsylvania

Chris Wimmenauer  
Washington, Indiana
Resolution 2013-3 of the Annual Meeting of the Members Concerning the Standing Committees and the Annual Conference Committee

WHEREAS, the Members of International Code Council, Inc., did assemble at ICC’s 11th Annual Conference in Atlantic City, New Jersey, September 28 - October 2, 2013; and

WHEREAS, the International Code Council could not fulfill its mission without the assistance of its Member volunteers; and

WHEREAS, throughout the year scores of volunteers have contributed their time and knowledge to the standing committees established to carry out the work of this organization, and

WHEREAS the International Code Council could not convene this Annual Conference without the guidance and planning efforts of the Annual Conference Committee, now therefore,

BE IT RESOLVED, that those Members here assembled on October 1, 2013, at the ICC Annual Business Meeting, do hereby express their sincere thanks and appreciation to the members of the standing committees in Certification and Testing, Code Development, Government Relations, Training and Education, and Technical Services, and

BE IT FURTHER RESOLVED, that those Members here assembled on October 1, 2013, at the ICC Annual Business Meeting, do hereby express their sincere thanks and appreciation to the members of the Annual Conference committee without whom this conference would not have been a success.

Resolution 2013-4 of the Annual Meeting of the Members Concerning the Immediate Past President

WHEREAS, the Members of International Code Council, Inc., did assemble at ICC’s 11th Annual Conference in Atlantic City, New Jersey, September 28 – October 2, 2013; and

WHEREAS, the International Code Council succeeds due to the leadership of its elected Officers and Directors; and

WHEREAS, the role of Immediate Past President is reserved for those Board members who have given their personal and professional time over the course of many years in the interest of serving the organization; and

WHEREAS, serving as Immediate Past President represents the culmination of successful service to the Board and the Members which few achieve; now therefore,

BE IT RESOLVED, that those Members here assembled on October 1, 2013, at the Annual Business Meeting, do hereby express their sincere gratitude and appreciation to Immediate Past President William D. Dupler for his dedicated service to the Members of the International Code Council during his years of service on the Board of Directors.

Resolution 2013-5 of the Annual Meeting of the Members Concerning Retired Members

WHEREAS, the Members of International Code Council, Inc., did assemble at ICC’s 11th Annual Conference in Atlantic City, New Jersey, September 28 – October 2, 2013; and

WHEREAS, throughout the year there have been Members in all categories who have concluded careers in code enforcement and the construction professions and have retired; and

WHEREAS, those Members have had long and illustrious careers and the respect of their peers; and

WHEREAS, their devotion to duty and faithful discharge of their professional responsibilities have added prestige to their association and community; now therefore

BE IT RESOLVED, that those Members here assembled on October 1, 2013, at the ICC Annual Business Meeting do hereby pay tribute to those Members recently retired; and

BE IT FURTHER RESOLVED, that we extend our most sincere appreciation to them for their contributions to the safety and security of the public in the built environment.
Resolution 2013-6 of the Annual Meeting of the Members Presented by the Washington Association of Building Officials Concerning the International Code Council Three-Year Code Revision Cycle

WHEREAS, the International Code is adopted at the local and state level to protect their jurisdictions and citizens they serve, and

WHEREAS, the current International Code revision cycle to review and modify the codes occurs every three years; and

WHEREAS, new codes or code volumes are frequently introduced further expanding the body of I-codes, impacting all I-code consumers every three years, and reducing familiarity for users; and

WHEREAS, each code cycle creates an increasing financial impact to the building industry and government agencies charged with enforcement of the codes; and

WHEREAS, some States have proposed legislative actions to not adopt the new I-codes or to change their adoption cycle to extend adoption beyond the current three-year I-code cycle; and

WHEREAS, it would be prudent for ICC to take a proactive role to plan this transition to avoid potential detrimental affects to the ICC organization should longer code adoption cycles take place at the local or state levels across the nation; and

WHEREAS, some nationally recognized Standards use a five-year code cycle, and;

WHEREAS, ICC code development is a Governmental Consensus Process which relies on participation of code officials, and the growing time commitment makes it increasingly difficult for jurisdictions to effectively participate; now, therefore,

BE IT RESOLVED, that those members here assembled on October 1, 2013, at the ICC Annual Business Meeting, do hereby express their concern for the sustainability of ICC and its subsidiary business operations to remain a strong and vibrant organization into the future, and

BE IT FURTHER RESOLVED, that ICC amends the current three-year code cycle to a longer cycle, not to exceed five years, by October 2016, as expressed by supporting members, jurisdictions and states seeking an increase to the current three-year code cycle, and

BE IT FURTHER RESOLVED, that the members here assembled on October 1, 2013, at the ICC Annual Business Meeting, do hereby express their sincere thanks and appreciation to the ICC Resolution Committee for carefully considering this important resolution affecting the welfare of the ICC organization and bringing it to the floor for members of the Annual Conference for floor action.

ICC RESOLUTIONS COMMITTEE RECOMMENDATION: The Washington Association of Building Officials have submitted resolution 2013-6 recommending lengthening the current code development cycle. The ICC Resolutions Committee does not support this resolution and after careful review recommends the Members vote against approval. Further details about the Resolutions Committee recommendation will be presented at the Annual Business Meeting.
This policy outlines the procedures for the conduct of elections at the ICC Annual Business Meeting.

1.0 **Eligible Voters:** Governmental Member Voting Representatives and Honorary Members in attendance at the Annual Business Meeting shall be eligible to vote on the elections, in accordance with ICC Bylaws. Only one vote is authorized for each eligible attendee. Application, whether new or updated, for ICC membership must be received by the Code Council ten days prior to the commencement of the Annual Business Meeting.

2.0 **Nominating Committee Report:** When the agenda item concerning nominations for elections has been reached, the President shall call upon the Chair of the Nominating Committee for a report. The report of the Nominations Committee shall consist of one nominee for each vacant seat. The Chair of the Nominating Committee shall read the entire list of nominations.

3.0 **Election and Floor Nominations:** The President shall then proceed to conduct the elections by calling to the floor the election of each individual seat being vacated, the corresponding Nominating Committee nomination and then call for nominations from the floor. Floor nominations shall only be made by member’s in good standing eligible to vote in the election. Floor nominations shall be seconded by a member in good standing eligible to vote in the election. The President shall request nominations from the floor three times for the position under consideration until there are no more floor nominations. At this point, the nominations for that position shall be closed and the election shall proceed to the voting for that seat. On completion of the election for that seat, the President shall proceed with the nominations for the following seat.

4.0 **Voice Vote:** If no nominations for an open seat are made from the floor, the President shall call for a voice vote for the seat under consideration. The President shall determine and declare the result of the election. When there is more than one nominee for a vacant seat, the election shall be by ballot vote.

5.0 **Tally Judges:** If any open seat has more than one nominee, a paper ballot is required. The President shall appoint Tally Judges in such a number as the President considers necessary, but shall in no case be less than three, to distribute, collect and count the ballots. Any nominee for a contested seat may request an observer to be present during the counting of the ballots.

6.0 **Ballot:** The Secretary/Treasurer shall provide paper ballots in sufficient number to accommodate all voting members present. Alternatively, a sufficient number of electronic voting devices shall be provided to accommodate all voting members. In the event the electronic devices are inoperable, the Secretary/Treasurer shall provide paper ballots as provided above. Each person qualifying as an eligible voting Governmental Member Representative or Honorary Members in accordance with the Bylaws shall be entitled to a single ballot and one vote, regardless of the number of Governmental Members a person represents. The Board shall establish procedures for the use of electronic devices to assure the security of the voting process.

7.0 **Ballot Voting:** The President shall announce, prior to the distribution of the ballots, how the ballots should be marked, including instructions on how members can write in their additional choice for the seat under consideration. A ballot shall contain only one vote for each seat vacant if it is to be counted.

Prior to voting, all candidates nominated by the Nominating Committee or from the floor will be given the opportunity to speak and/or have others speak on their behalf.

A voting member may write in the name of any person, who is qualified to be elected, for any seat whether or not the person has been duly nominated from the floor or by the committee. Only legible names shall be counted.

8.0 **Ballot Distribution:** When the President has completed the instructions to the voting members, the Secretary/Treasurer shall give the ballots to the Tally Judges for distribution to the voting members. The President then will ask the voting members to record their votes on the ballots.

9.0 **Ballot Collection:** After a reasonable time, the President will instruct the Tally Judges to collect the ballots from the voting members.
10.0 **Ballot Counting:** When the ballots have been collected, the President will instruct the Tally Judges to retire to a convenient place to count and record the ballots. One observer selected by each nominee may observe the Tally Judges during the counting of the ballots and the preparation of the return. An observer shall not, however, interfere with the Tally Judges in the performance of their duties. Any alleged irregularities in the ballot counting shall be brought to the attention of the President prior to the report of the Tally Judges being delivered to the President.

The Tally Judges shall count each ballot and shall prepare a report for the President which states the number of votes cast for each person. At the conclusion of the ABM, the Tally Judges shall deliver the ballots to the Chief Executive Officer, who shall preserve the same for a period of six months after the date of the election. After the expiration of such six-month period, the Chief Executive Officer shall destroy the ballots.

11.0 **Ballot Results:** Upon receipt of the report of results from Tally Judges, the President shall read the same and declare the results to the members. In the event of a tie vote, the President shall call for further voting by the voting members present with respect to the tied candidates. Such further voting may be by a show of hands or, at the request of any voting member, by written ballot. In the event that such further voting is done by written ballot, the procedure set forth above shall be followed. Upon the determination of the results of such further voting, the President shall declare the results thereof.

12.0 **Majority Vote:** In accordance with Section 5.4 of the ICC Bylaws, all Directors must be elected by a majority of the voting members present and voting. Accordingly, if the number of candidates does not exceed the number of open seats, the election shall be conducted in accordance with Section 3.0 of this policy and the candidates shall be deemed to have received a majority vote.

13.0 **Failure to Achieve a Majority:** During an election to fill an open Board seat, should no candidate receive a majority vote (50% +1) a run-off election shall be held. The candidates standing for the run-off election shall be the two candidates with the highest number of the votes received during the initial ballot.
14.0 Campaigning for Board Seat:

14.1 Objective: (i) To avoid the appearance that the ICC favors the candidacy of any individual member over that of any other member candidate; (ii) to ensure that all candidates have a reasonable opportunity to offer their views to the membership; and (iii) to ensure that campaign efforts do not inappropriately interfere with the management or operation of the Annual Conference.

14.2 Campaign advertising in ICC materials shall comply with this section.

(a) Campaign advertising for positions on the Board of Directors is prohibited in ICC print and electronic periodicals and other Annual Conference materials produced by ICC.

(b) Board candidate advertising is permitted in the Chapter Resource Guide. (This is not technically an ICC Periodical. It is a product of the Conference Host Chapter. A disclaimer indicating that should be included in the publication if it will continue to accept that Board candidate advertising is permissible in the Chapter Resource Guide.)

14.3 Annual Conference sponsorships shall not be sold for the purpose of advocating Board candidacies; provided, however, that Expo booths may be used to promote a board candidacy and campaign materials may be distributed in the Expo Room.

14.4 Campaign advertising materials at the Annual Conference are permitted provided that they don’t inappropriately interfere with the management or operation of the Annual Conference; provided that:

(a) The hanging, attaching or affixing of campaign materials on walls or any object is prohibited; and

(b) Campaign materials shall not be displayed or distributed within 30 feet of the ICC registration booth.

14.5 The International Code Council shall provide to all candidates that have filed according to Section 3.0 of CP 20:

(a) A candidate web page where a picture, résumé, statement of candidacy and, if applicable, a link to the candidate’s website, shall be posted on behalf of the candidate. The statement of candidacy may not be more than 500 words and may contain no defamatory or offensive language, as determined by ICC.

(b) A candidate forum at the Annual Conference to be held prior to the elections. Forum procedures are to be determined by the Board of Directors.

14.6 Notwithstanding the foregoing, ICC reserves the right to restrict the display or distribution of campaign materials that inappropriately interfere with the management or operation of the Annual Conference.
ARTICLE I — NAME AND OBJECTIVES

1.1 Name - This organization shall be known as the International Code Council, Inc., hereinafter in these Bylaws referred to as the “Council” or the "Corporation".

1.2 General Purposes - The Council is a nonprofit public benefit corporation and is not organized for the private gain of any person. The Corporation is organized exclusively as an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision in any future United States internal revenue law (the “Code”). Notwithstanding any other provision herein, the Corporation shall not engage in a regular business activity of a kind ordinarily carried on for profit and shall not carry on any other activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Code. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. Such purposes specifically include:

With respect to buildings and structures: (a) the lessening of burdens of government through the development, maintenance and publication of model statutes and standards for the use by federal, state and local governments in connection with the administration of building laws and regulations, and (b) the lessening of the burdens of government through the performance of certain services for the benefit of federal, state and local governments in connection with the administration of building law and regulation.

1.3 Principal Office - The Corporation shall have and continuously maintain a registered office in the State of California and a registered agent whose principal business office is identical with such registered office.

ARTICLE II — MEMBERSHIP

2.1 Categories of Membership - The Council shall have the following categories of voting membership:

2.1.1 Governmental Member - A Governmental Member shall be a governmental unit, department or agency engaged in the administration, formulation, implementation or enforcement of laws, ordinances, rules or regulations relating to the public health, safety and welfare. Each Governmental Member shall designate its Primary Representative who will receive benefits of membership in the Council on behalf of the Governmental Member as determined by the Board of Directors from time to time.

2.1.1.1 Governmental Member Voting Representatives - Each Governmental Member shall exercise its right to vote through its designated Governmental Member Voting Representatives, and shall be entitled to the number of Governmental Member Voting Representatives as specified in Table 2.1.1.1. Governmental Member Voting Representatives shall be designated in writing, by the Governmental Member, and shall be employees or officials of the Governmental Member or departments of the Governmental Member, provided that each of the designated voting representatives shall be an employee or a public official actively engaged either full or part time, in the administration, formulation, implementation or enforcement of laws, ordinances, rules or regulations relating to the public health, safety and welfare. The designation of a Governmental Member Voting Representative may be changed by the Governmental Member, in writing, from time to time.

Table 2.1.1.1

<table>
<thead>
<tr>
<th>Population</th>
<th>Voting Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50,000</td>
<td>4</td>
</tr>
<tr>
<td>50,000-150,000</td>
<td>8</td>
</tr>
<tr>
<td>Over 150,000</td>
<td>12</td>
</tr>
</tbody>
</table>
2.1.2 **Honorary Member** - An individual who has rendered outstanding service to the Council, and whose name shall be proposed by the Board of Directors and confirmed by a majority vote of the Governmental Member Representatives at an Annual Business Meeting.

2.1.3 **Non-voting categories** - The Board of Directors shall establish the non-voting categories of membership as may be necessary for the adequate representation of all parties interested in association with the International Code Council. Non-voting categories shall provide for membership of individuals and corporate entities and shall include, but not necessarily be limited to, employees of governmental units, design professionals, corporations, educational institutions, not-for-profit associations, and other individuals interested in the purposes and objectives of the Council.

2.2 **Classification by the Board of Directors** - All applications for membership shall be subject to classification by and approval of the Board of Directors. Applicants shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time. This authority may be delegated by the Board of Directors to the Chief Executive Officer.

2.3 **Dues** - The annual dues for each membership category shall be established by the Board of Directors. In no case shall a person be considered in good standing, or be qualified to exercise membership participation or entitled to receive any privilege of membership, who is default in payment of dues for three months, except as may be extended by the Board of Directors.

2.4 **Termination** - A membership in the Council shall terminate on occurrence of any of the following events:
   (a) Resignation of the member;
   (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
   (c) The member’s failure to pay dues, fees or assessments, as set forth by the Board, after they are due and payable;
   (d) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications.

2.5 **Nonliability of Members** - A member of the Corporation shall not be personally liable, solely because of membership, for the debts, obligations, or liabilities of the Corporation.

**ARTICLE III -- VOTING MEMBERS**

Only Governmental Member Representatives and Honorary Members shall have the right to vote on any matters under these Bylaws, including but not limited to, the right exercised through those individuals eligible to vote for the election of a Director or Directors, or on a disposition of all or substantially all of the assets, or on a dissolution, or on any changes to the Articles of Incorporation or the Bylaws. Only the Governmental Member Representatives and Honorary Members shall be permitted to make motions and to vote on any issue at the Annual Business Meeting, special meetings and written consents. Voting by proxy is not permitted. Any person designated as a voting representative of more than one Governmental Member or who is also an Honorary Member shall be entitled to only one vote.

**ARTICLE IV -- GEOGRAPHICAL REPRESENTATION**

4.1 **Limitations** - To encourage wide geographical representation, no more than two Governmental Member Representatives designated by Governmental Members located in the same state may serve simultaneously on any one committee nor may more than two Governmental Members Representatives designated by Governmental Members located in the same state serve simultaneously on the Board of Directors.

4.2 **Distribution** - To provide for geographical representation on the Board of Directors, the following sections are established:
Table 4.2

<table>
<thead>
<tr>
<th>Section</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section A</td>
<td>Alaska, British Columbia, Washington, Oregon, California, Nevada, Hawaii</td>
</tr>
<tr>
<td>Section B</td>
<td>Idaho, Montana, Wyoming, North Dakota, South Dakota, Minnesota, Iowa, Wisconsin, Alberta, Saskatchewan, Manitoba</td>
</tr>
<tr>
<td>Section C</td>
<td>Utah, Arizona, Colorado, New Mexico, Oklahoma, Texas, Arkansas, Mexico</td>
</tr>
<tr>
<td>Section D</td>
<td>Nebraska, Kansas, Missouri, Illinois, Michigan, Indiana, Ohio, Kentucky, Ontario</td>
</tr>
<tr>
<td>Section F</td>
<td>Tennessee, Louisiana, Mississippi, Alabama, North Carolina, South Carolina, Georgia, Florida, the Caribbean</td>
</tr>
</tbody>
</table>

ARTICLE V – BOARD OF DIRECTORS

5.1 Governing Body - Subject to the limitations of the Articles of Incorporation, these Bylaws and the laws of the State of California, all corporate powers shall be exercised by the Board of Directors. The Board of Directors shall be composed of the following: President, Vice President, Secretary/Treasurer, the most Immediate Past President eligible; eight (8) Directors-at-Large, and six (6) Directors, one elected from each Section ("Sectional Directors"). Each member of the Board of Directors shall be a Governmental Member Representative. All members of the Board of Directors, except as provided in the Bylaws, shall be elected for a term of three years, and shall not serve for more than two consecutive full terms. However, nothing in this section shall preclude a Director initially appointed to a one or two year term, or appointed or elected to fill an unexpired term, from being elected to two subsequent full terms. Each Sectional Director shall be and remain, throughout his or her term, a Governmental Member Representative for a Governmental Member within the applicable Section.

5.2 Resignation, Disqualification and Vacancies - If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, the president (or in the case the office of president is vacant, the vice president) shall appoint a successor for the unexpired term and until his or her successor is elected and qualified at the next Annual Business Meeting, subject to the ratification of the Board of Directors. Any director, who ceases to be a designated Governmental Member Representative, for a period exceeding 60 days, shall automatically forfeit his or her position as a director.

5.2.1 Military Leave - Board members called to and serving active military duty shall not thereby become disqualified as a member of the board.

5.3 Removal of a Director - Any Director may be removed from office upon the vote of two-thirds of the Voting Members present and voting at a meeting of the members, so long as the number of votes cast in favor of removal is at least two-thirds of those necessary for a quorum.

5.4 Election - Except as provided herein, the Board of Directors shall establish policies governing the conduct of elections and copies thereof shall be provided to any member requesting a copy. At each Annual Business Meeting a majority of the Voting Members present and voting shall elect such number of directors as necessary to fill vacancies of directors whose terms expire as of such meeting.

5.5 Quorum - At all meetings of the Board of Directors, two-thirds of the voting directors then in office shall constitute a quorum for transaction of business, and the act of a majority of the voting directors present at the meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by the law of the State of California or by the articles of incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present there at may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.
5.5.1 **Written Action** - Unless otherwise restricted by the articles of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all voting members of the Board of Directors consent thereto in writing, and the writing or writings are filed with the minutes or proceedings of the Board of Directors.

5.5.2 **Participation in Meetings by Conference Telephone** - Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other communication equipment if all of the following apply: (1) each director participating in the meeting can communicate with all of the other directors concurrently, (2) each director is provided the means of participating in all matters before the Board of Directors, including the capacity to propose, or to interpose an objection, to a specific action to be taken by the corporation and (3) the corporation adopts and implements some means of verifying both that (i) a person participating in the meeting is a director or other persons entitled to participate in the Board of Directors meeting and (ii) all actions of, or votes by, the Board of Directors are taken or cast only by the directors and not by persons who are not directors.

5.6 **Meetings of the Board of Directors** –

5.6.1 **General** - The Annual Meeting of the Board of Directors shall be held in conjunction with the time and place of the Annual Business Meeting. The Board of Directors shall meet at such other times and in such places as it may determine, and otherwise upon the call of the President or of a majority of the Board of Directors. Motions and votes at such meetings shall be duly recorded.

5.6.2 **Organizational Meeting** - At the conclusion of the Annual Business Meeting, the Board of Directors shall hold an organizational meeting at which time it may transact any necessary business, including any appointments pertinent to the ongoing business.

5.6.3 **Closed Meetings** - A meeting or portion of a meeting of the Board of Directors may be closed to persons not serving on the Board of Directors by a vote of the Board of Directors when matters that are sensitive to the purpose of the Council, including but not limited to budget, personnel, legal actions, and proprietary practices or materials are to be discussed. The Board of Directors may invite persons who are not members of the Board of Directors to attend portions, or all, of such closed meetings in an advisory capacity.

5.7 **Authority** - The Board of Directors may adopt any policy or procedure, or authorize any administrative action in the best interest of the Council and its membership.

5.8 **Emergency Actions** - In the event that the Board of Directors determines an emergency amendment to any International Code® or standard or supplements thereto is warranted, the same may be adopted by the Board of Directors. Such action shall require an affirmative vote of at least two-thirds of the Board of Directors. The membership shall be notified, within ten days after the Board of Directors’ official action, of any emergency amendment. At the next Annual Business Meeting any emergency amendment shall be presented to the members for ratification by a majority of the Governmental Member Representatives present and voting.

**ARTICLE VI – OFFICERS**

6.1 **Officers and Election** - Election of officers for the ensuing year shall be held at the Annual Business Meeting. The Officers of the Council shall consist of a President, Vice President, and Secretary/Treasurer (who shall be the chief financial officer of the Corporation), elected from the Board of Directors by the voting members present and voting at the annual business meeting. At no time shall more than one Governmental Member Representative located in the same state serve as an Officer. Such Officers shall take office beginning at the conclusion of the Annual Business Meeting and shall serve until adjournment of the following Annual Business Meeting or until their successors are duly elected and qualified. Officers’ tenure shall be limited to one single, full-year term in each office.

6.2 **Duties of President** - The President shall preside at the Annual Business Meeting, special meetings of the members and at meetings of the Board of Directors. The President shall be a regular member and preside at meetings of the Executive Committee and shall be an ex officio nonvoting member of all other committees. The President shall have other such duties as are prescribed by the Board of Directors or these Bylaws. Officers shall not act in their official capacity by proxy.
6.3 **Duties of the Vice President** - The Vice President shall act and perform the duties of the President during the President’s absence from any meetings of this Corporation or the Board of Directors, or by a vote of the Board of Directors in case of disability of the President, and shall assist the President in the conduct of the office of President. Officers shall not act in their official capacity by proxy.

6.4 **Duties of the Secretary/Treasurer** - The Secretary/Treasurer shall be responsible for keeping the minutes and records of meetings, maintaining correspondence, receiving and disbursing funds, supervising financial affairs, approving expenditures as provided by resolution of the Board of Directors, and generally performing such official duties of a Secretary/Treasurer of a corporation. The Board of Directors may designate the Chief Executive Officer as the official agent for all or portions of such duties. Officers shall not act in their official capacity by proxy.

6.5 **Resignation, Disqualification and Vacancies** - If the position of any officer becomes vacant by reason of death, resignation, disqualification, removal or other cause, the president (or in the case the office of president is vacant, the vice president) shall appoint a successor for the unexpired term and until his or her successor is elected and qualified at the next Annual Business Meeting, subject to the ratification of the Board of Directors. Any officer who ceases to be a member of the Board of Directors shall automatically forfeit his or her position as an officer.

**ARTICLE VII – EXECUTIVE COMMITTEE**

7.1 **Executive Committee Members** - There shall be an Executive Committee of the Board of Directors. The members of the Executive committee shall be composed of the President, the Vice President, the Secretary/Treasurer and the Immediate Past President.

7.2 **Powers and Duties** - The Executive Committee shall have authority to act in such matters as are specifically delegated by the Board of Directors and take action on such matters delegated, as deemed prudent in furtherance of the general objectives of the Council. If an urgent situation arises and the President determines a matter requires immediate action or a timely decision, and it is not practical to convene a quorum of the Board of Directors, the Executive Committee shall have the authority to act on behalf of the Board unless otherwise specifically provided. The Executive Committee and the Chief Executive Officer shall meet as necessary, between meetings of the Board of Directors, at a date and place designated by the President. Actions of the Executive Committee shall be reported to the Board of Directors without delay.

**ARTICLE VIII – ADMINISTRATION**

8.1 **Chief Executive Officer** - The Board of Directors shall appoint a Chief Executive Officer and such other officers as it shall designate, who shall serve at the pleasure of the Board. The Board of Directors shall fix the Chief Executive Officer’s compensation. The Chief Executive Officer shall manage the affairs of the Council within the policies established by the Board of Directors and shall perform such other duties as may be assigned by the Board of Directors to the Chief Executive Officer. Neither the Chief Executive Officer nor any other officer appointed by the Board shall have a vote in the proceedings of this Council or of the Board of Directors.

**ARTICLE IX – MEETINGS OF THE MEMBERS**

9.1 **Annual Business Meeting** - A regular meeting of the Governmental Member Representatives, herein referred to as the Annual Business Meeting shall be held each calendar year at a time and place designated by the Board of Directors.

9.1.1 **Order of Business Meeting** - The items of business at the Annual Business Meeting shall include, but not be limited to, the following:

1. Call to order
2. Reading of Meeting Notice
3. Determination of a quorum
4. Approval of minutes of previous meeting(s)
6. Election of Directors-at-Large
7. Treasurer’s Report
8. Report of the President
9. Unfinished business
10. Resolutions
11. Adjournment

The order of business as announced at the meeting may be changed by a majority vote of the Governmental Member Representatives present and voting at the Annual Business Meeting.
9.2 Special Meetings - Special Meetings of the Governmental Member Representatives may be called at any time by the President with approval of two-thirds of the Board of Directors. The President shall call a special meeting upon the receipt of a valid petition, specifying purpose of the special meeting and bearing the names, titles, addresses, and signatures of five percent of the Governmental Member Representatives.

9.3 Quorum - A quorum for the transaction of business at any annual or special meeting shall consist of 100 Governmental Member Representatives.

9.4 Meeting Notice - A notice of the time and place of a special meeting shall be published not less than 60 days prior to the start of the special meeting. A notice of the time and place of the Annual Business Meeting shall be published not less than 60 days prior to the start of the Annual Business Meeting.

9.5 Eligibility to Vote - Governmental Member Representatives and Honorary Members (collectively, the "Voting Members") in good standing under these bylaws shall be entitled to vote at any meeting of Governmental Member Representatives. Each Governmental Member Representative and Honorary Member entitled to vote may cast one vote on each matter submitted to a vote of the Governmental Member Representatives. Any person designated as a Governmental Member Representative of more than one Governmental Member or who is also an Honorary Member shall be entitled to only one vote.

ARTICLE X — CODE DEVELOPMENT PROCESS

The Board of Directors shall adopt a policy, which may be amended from time to time, on the Code Development Process for the International Codes®.

ARTICLE XI — COMMITTEES

11.1 Committees, Councils - The Board of Directors may establish committees and councils as it shall deem advisable. The President shall, with the concurrence of the Board, appoint or replace all members of committees and councils not otherwise specifically provided for herein.

11.2 Board Authority - Any member of any committee or council may be removed by the Board at any time, subject to the limitations of the laws of the State of California, and subject to any limitations of the Articles of Incorporation or Bylaws regarding actions which require approval of the Governmental Member Representatives and Honorary Members. Each committee or council shall be under the direction of the Board and shall have such authority as shall be delegated and prescribed by the Board.

11.3 Nominating Committee - There shall be a Nominating Committee chaired by the Immediate Past President and consisting of Governmental Member Representatives and/or Honorary Members having a reasonably distributed geographical representation. The Board of Directors shall establish policies governing the Nominating Committee and the conduct of elections. The Nominating Committee, excluding the Chairperson, shall have no more than one Governmental Member Representative or Honorary Member from any one state.

11.4 Meetings of Committees - Except as otherwise provided by these Bylaws, committees and councils shall comply with the policies established by the Board of Directors.

ARTICLE XII — CHAPTERS

12.1 Organization - The Council shall encourage and recognize the establishment of regional, state, student, professional, local area and international chapter organizations of its members, the purpose of which shall be the furtherance of the objectives of the Council. Applications for the establishment of a chapter, together with a copy of the proposed chapter Bylaws and a list of those who have agreed to become members of the chapter, shall be submitted to the Board of Directors for approval. The chapter shall be established upon approval by the Board of Directors.

12.2 Management - All chapters shall be managed in accordance with policies established by the Board of Directors.
ARTICLE XIII — AUDITING AND REPORTS

13.1 Fiscal Year - The fiscal year of the Council shall be as determined by the Board of Directors.

13.2 Audit - There shall be an audit of the activities and financial affairs of the Council at the end of each fiscal year by an independent auditor selected by the Chief Executive Officer with the advice and consent of the Board of Directors. Such audit shall be submitted to the Board of Directors.

ARTICLE XIV — INDEMNIFICATION, INSURANCE AND DIRECTOR LIABILITY

14.1 Definitions - For the purposes of this Article XIV, "agent" means any person who is or was a director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, foundation, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Sections 14.4 or 14.5(b) of these Bylaws.

14.2 Indemnification in Actions by Third Parties - The Corporation shall have power to indemnify any person who was or is a party to, or is threatened to be made a party to, any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to the assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

14.3 Indemnification in Actions by or in the Right of the Corporation - The Corporation shall have power to indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interest of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 14.3:

(a) In respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person’s duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.
14.4 **Indemnification Against Expenses** - To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Sections 14.2 or 14.3 of these Bylaws or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

14.5 **Required Determinations** - Except as provided in Section 14.4 of these Bylaws, any indemnification under this Article XIV shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 14.2 or 14.3 of these Bylaws, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

14.6 **Advance of Expenses** - Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article XIV.

14.7 **Other Indemnification** - No agreement made by the Corporation to indemnify its (or its subsidiaries’) Directors or Officers shall be valid unless such agreement is consistent with this Article XIV. In the event of any inconsistencies between this Article XIV and any other provisions regarding indemnification of Directors and Officers by the Corporation, this Article XIV shall prevail. Nothing contained in this Article XIV shall affect any right to indemnification held by persons other than Directors and Officers.

14.8 **Forms of Indemnification Not Permitted** - No indemnification or advance shall be made under this Article XIV, except as provided in Section 14.4 or 14.5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

14.9 **Nonpaid Directors** - Except as provided in Section 5233 or 5237 of the California Nonprofit Public Benefit Corporation Law (or any successor provisions thereto), there shall be no monetary liability on the part of, and no cause of action for damages shall be asserted against, any nonpaid Director, including any nonpaid Director who is also a nonpaid Officer of the corporation, based upon any alleged failure to discharge the person’s duties as Director or Officer if the duties are performed in a manner that meets all of the following criteria:

(a) The duties are performed in good faith;

(b) The duties are performed in a manner such Director believes to be in the best interests of the Corporation; and

(c) The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

14.10 **Insurance** - The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article XIV; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law (or any successor provision thereto).

14.11 **Nonapplicability to Fiduciaries of Employee Benefit Plans** - This Article XIV does not apply to any proceeding against any Director, investment manager, or other fiduciary of an employee benefit plan in such person’s capacity as such, even though such person may also be an agent of the Corporation as defined in Section 14.1 of these Bylaws. The Corporation shall have power to indemnify such Director, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.
If any part of this Article XIV shall be found in any action, suit or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

**ARTICLE XV — AUTHORITY AND BENEFIT**

15.1 **No Benefit to Any Individual** - No part of the net earnings, if any, of this Council shall inure to the benefit of any member or other individual, and no gain, profit, or dividends shall ever be distributed to any member of this Council or inure to the benefit of any private persons, except as provided for in these Bylaws.

15.2 **No Authority to Act** - A member or chapter or any officer or member thereof shall not participate in or purport to have authority to act on behalf of or bind this Corporation to any legal obligations or liability, except as provided in these Bylaws.

**ARTICLE XVI — DISSOLUTION**

In the event of a dissolution or final liquidation of the Council, all of the remaining assets and property of the Council shall, after paying or making provision for the payment of all of the liabilities or obligations of the Council and for necessary expenses thereof, shall be transferred to one or more organizations which will (i) dedicate such assets and property to public and/or charitable purposes, and (ii) qualify as tax exempt organizations under Section 501(c)(3), Section 501(c)(4), or Section 501(c)(6) of the Code.

**ARTICLE XVII — RULES OF ORDER**

Roberts Rules of Order shall govern all aspects of a parliamentary nature unless otherwise provided for by the Board of Directors.

**ARTICLE XVIII — AMENDMENTS TO BYLAWS**

18.1 **Proposals** - Proposed amendments to these Bylaws, to be considered at an Annual Business Meeting, shall be signed by at least ten Governmental Member Representatives and shall be presented to the Board of Directors at least 90 days prior to the opening of an Annual Business Meeting or must be proposed through resolution of at least ten of the members of the Board of Directors at least 90 days prior to the opening of an Annual Business Meeting.

18.2 **Notice of Actions** - The Board of Directors shall cause proposed amendments to the Bylaws to be printed in the Annual Business Meeting notice. The Board of Directors shall present its recommendations for each proposal, including reasons for recommending such action(s), at the Annual Business Meeting. These proposed amendments may be discussed and amended at the Annual Business Meeting, and if passed by a two-thirds vote of those Governmental Member Voting Representatives present, shall be sent by ballot, as amended on the floor, to all Governmental Member Representatives of the Council for ratification. To be considered, the ballots submitted by the Governmental Member Representatives shall be received within 30 days of distribution. A two-thirds majority of the ballots submitted by Governmental Member Voting Representatives is required for adoption. The returns shall be certified by the President if the necessary majority for adoption is received.

18.3 **Effective Date** - The approved amendments become effective ten days thereafter unless otherwise provided in the amendment.

**ARTICLE XIX — OPERATIVE DATE**

19.1 **General** - These Bylaws shall be effective and operative upon the date designated by the Board as the date on which the consolidation of the operations of BOCA, ICBO and SBCCI and their respective controlled entities with the operations of this Corporation occurs.

19.2 **Committees** - Council committees in existence as of the operative date of these Bylaws to the extent permitted under these Bylaws shall not be deemed abolished by the adoption of these Bylaws, subject to the right of the Board of Directors to remove them.

19.3 **Previous Action Remains in Effect** - Upon the operative date of these Bylaws, all prior actions consistent with these Bylaws, whether pursuant to resolution or policy, of the Board of Directors, or any other committee, remain in effect until modified, repealed or otherwise superseded.
History: The original ICC Bylaws were approved on July 24, 2002. Seven amendments were presented to the ICC membership at the ABM on September 27, 2004. The amendments were approved and ratified by letter ballot sent to all Governmental Members. The results of the election were certified by the ICC President on December 19, 2004, and became effective on December 29, 2004. One amendment was presented to the ICC membership at the ABM on September 27, 2005. The amendment was approved and ratified by letter ballot sent to all Governmental Members. The results of the election were certified by the ICC President on January 3, 2006, and became effective on January 13, 2006. Two amendments were presented to the ICC membership at the ABM on September, 2006. The amendment was approved and ratified by letter ballot sent to all Governmental Members. The results of the election were certified by the ICC President on April 5, 2007, and became effective on April 15, 2007. One amendment was presented to the ICC membership at the ABM on October 2, 2007. The amendment was approved and ratified by letter ballot sent to all Governmental Members. The results of the election were certified by the ICC President on January 23, 2008, and became effective on February 2, 2008. One amendment was presented to the ICC membership at the ABM on September 16, 2008. The amendment was approved and ratified by letter ballot sent to all Governmental Members. The results of the election were certified by the ICC President on January 12, 2009, and became effective on January 14, 2009. Two amendments were presented to the ICC membership at the ABM on November 3, 2009. One amendment was approved and ratified by letter ballot sent to all Governmental Member Voting Representatives. The results of the election were certified by the ICC President on February 26, 2010. Four amendments were presented to the ICC membership at the ABM on November 1, 2011. One amendment was approved and ratified by letter ballot sent to all Governmental Member Voting Representatives. The results of the election were certified by the ICC President on February 7, 2012. One amendment was presented to the ICC membership at the ABM on October 23, 2012. The amendment was approved and ratified by letter ballot sent to all Governmental Member Voting Representatives. The results of the election were certified by the ICC President on February 5, 2013.]
International Code Council, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information
For the Years Ended December 31, 2012 and 2011
International Code Council, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information
For the Years Ended December 31, 2012 and 2011
Independent Auditor’s Report 71-72

Consolidated Financial Statements

Consolidated Statements of Financial Position as of December 31, 2012 and 2011 74-75

Consolidated Statements of Activities for the Years Ended December 31, 2012 and 2011 76

Consolidated Statements of Cash Flows for the Years Ended December 31, 2012 and 2011 77

Notes to Consolidated Financial Statements 78-86

Supplementary Information 87

Independent Auditor’s Report on Supplementary Information 88

Consolidating Statement of Financial Position as of December 31, 2012 89

Consolidating and Condensed Statement of Activities for the Year Ended December 31, 2012 90

Consolidated Schedules of Program Services 91

Consolidated Schedules of Product Sales 92

Consolidated Schedules of Other Income 93

Consolidated Schedules of Functional Expenses 94
Independent Auditor’s Report

Board of Directors
International Code Council, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of International Code Council, Inc. and its Subsidiaries (the “Council”), which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council’s preparation and fair presentation of the consolidated 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 Council’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 consolidated financial statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Code Council, Inc. and its Subsidiaries as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Chicago, Illinois
April 19, 2013
Consolidated Financial Statements
## International Code Council, Inc. and Subsidiaries

### Consolidated Statements of Financial Position

**December 31,**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,980,906</td>
<td>$7,227,672</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>83,987</td>
<td>99,278</td>
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<tr>
<td>Investments</td>
<td>6,004,100</td>
<td>5,608,518</td>
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<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$450,000 and $995,000, respectively</td>
<td>2,326,571</td>
<td>4,544,311</td>
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<tr>
<td>Other receivables</td>
<td>165,363</td>
<td>34,647</td>
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<tr>
<td>Inventory, net</td>
<td>1,654,817</td>
<td>2,549,037</td>
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<tr>
<td>Prepaid expenses and deposits</td>
<td>512,165</td>
<td>552,279</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>15,727,909</strong></td>
<td><strong>20,615,742</strong></td>
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<tr>
<td><strong>Property and Equipment</strong></td>
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<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,180,865</td>
<td>1,180,865</td>
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<tr>
<td>Buildings</td>
<td>13,946,260</td>
<td>13,946,260</td>
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<tr>
<td>Building/leasehold improvements</td>
<td>1,252,244</td>
<td>1,224,273</td>
</tr>
<tr>
<td>Computers and software</td>
<td>10,528,443</td>
<td>9,753,226</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>2,812,823</td>
<td>2,793,495</td>
</tr>
<tr>
<td>Office equipment</td>
<td>3,127,178</td>
<td>3,127,178</td>
</tr>
<tr>
<td>Vehicles</td>
<td>73,184</td>
<td>73,184</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>617,113</td>
<td>24,354</td>
</tr>
<tr>
<td><strong>Less: accumulated depreciation and amortization</strong></td>
<td>(23,752,745)</td>
<td>(21,885,614)</td>
</tr>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td>9,785,365</td>
<td>10,237,221</td>
</tr>
<tr>
<td>Intellectual Property and Other Intangible Assets, net</td>
<td>116,797</td>
<td>153,287</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>25,630,071</strong></td>
<td><strong>31,006,250</strong></td>
</tr>
</tbody>
</table>
# International Code Council, Inc. and Subsidiaries

## Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,359,846</td>
<td>$1,487,173</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3,638,394</td>
<td>2,538,639</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6,439,925</td>
<td>6,203,160</td>
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<tr>
<td>Customer deposits</td>
<td>446,765</td>
<td>855,281</td>
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<tr>
<td>Accrued employee benefits</td>
<td>3,075,776</td>
<td>3,340,603</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>14,960,706</td>
<td>14,424,856</td>
</tr>
<tr>
<td><strong>Commitments (Notes 6 and 7)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>10,543,972</td>
<td>16,444,158</td>
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<tr>
<td>Temporarily restricted</td>
<td>125,393</td>
<td>137,236</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>10,669,365</td>
<td>16,581,394</td>
</tr>
</tbody>
</table>

| Total Liabilities and Net Assets | 25,630,071 | 31,006,250 |

*See accompanying notes to the consolidated financial statements.*
## International Code Council, Inc. and Subsidiaries

### Consolidated Statements of Activities

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2012 Total</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>$ 29,241,602</td>
<td>-</td>
<td>$ 29,241,602</td>
<td>$ 32,490,469</td>
<td>-</td>
<td>$ 32,490,469</td>
</tr>
<tr>
<td>Product sales</td>
<td>19,862,077</td>
<td>-</td>
<td>19,862,077</td>
<td>25,672,227</td>
<td>-</td>
<td>25,672,227</td>
</tr>
<tr>
<td>Other income</td>
<td>1,385,864</td>
<td>-</td>
<td>1,385,864</td>
<td>1,350,165</td>
<td>-</td>
<td>1,350,165</td>
</tr>
<tr>
<td>Support and contributions</td>
<td>133,927</td>
<td>7,657</td>
<td>141,584</td>
<td>58,294</td>
<td>27,022</td>
<td>85,316</td>
</tr>
<tr>
<td>Interest income</td>
<td>203,786</td>
<td>-</td>
<td>203,786</td>
<td>201,237</td>
<td>-</td>
<td>201,237</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>19,500</td>
<td>(19,500)</td>
<td>-</td>
<td>15,500</td>
<td>(15,500)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>50,846,756</td>
<td>(11,843)</td>
<td>50,834,913</td>
<td>59,787,892</td>
<td>11,522</td>
<td>59,799,414</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs/member services</td>
<td>38,337,820</td>
<td>-</td>
<td>38,337,820</td>
<td>41,149,503</td>
<td>-</td>
<td>41,149,503</td>
</tr>
<tr>
<td>Administrative/support services</td>
<td>13,776,721</td>
<td>-</td>
<td>13,776,721</td>
<td>11,715,227</td>
<td>-</td>
<td>11,715,227</td>
</tr>
<tr>
<td>Cost of product</td>
<td>4,899,873</td>
<td>-</td>
<td>4,899,873</td>
<td>6,005,043</td>
<td>-</td>
<td>6,005,043</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>57,014,414</td>
<td>-</td>
<td>57,014,414</td>
<td>58,869,773</td>
<td>-</td>
<td>58,869,773</td>
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<tr>
<td><strong>(Decrease) Increase in Net Assets Before</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized Gain on Investments</td>
<td>(6,167,658)</td>
<td>(11,843)</td>
<td>(6,179,501)</td>
<td>918,119</td>
<td>11,522</td>
<td>929,641</td>
</tr>
<tr>
<td>Unrealized gain on Investments</td>
<td>267,472</td>
<td>-</td>
<td>267,472</td>
<td>167,039</td>
<td>-</td>
<td>167,039</td>
</tr>
<tr>
<td><strong>(Decrease) Increase in Net Assets</strong></td>
<td>(5,900,186)</td>
<td>(11,843)</td>
<td>(5,912,029)</td>
<td>1,085,158</td>
<td>11,522</td>
<td>1,096,680</td>
</tr>
<tr>
<td><strong>Net Assets, beginning of year</strong></td>
<td>16,444,158</td>
<td>137,236</td>
<td>16,581,394</td>
<td>15,359,000</td>
<td>125,714</td>
<td>15,484,714</td>
</tr>
<tr>
<td><strong>Net Assets, end of year</strong></td>
<td>$ 10,543,972</td>
<td>$ 125,393</td>
<td>$ 10,669,365</td>
<td>$ 16,444,158</td>
<td>$ 137,236</td>
<td>$ 16,581,394</td>
</tr>
</tbody>
</table>

See accompanying notes to the consolidated financial statements.
# International Code Council, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows

**Year ended December 31,**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease) Increase in net assets</td>
<td>$ (5,912,029)</td>
<td>$ 1,096,680</td>
</tr>
<tr>
<td>Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,903,621</td>
<td>1,814,800</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>(427,687)</td>
<td>336,865</td>
</tr>
<tr>
<td>Write-off of obsolete inventory</td>
<td>1,222,826</td>
<td>889,088</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td>(17,805)</td>
<td>(2,580)</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>(267,472)</td>
<td>(167,039)</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>15,291</td>
<td>22,857</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,645,427</td>
<td>845,651</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(130,716)</td>
<td>349,293</td>
</tr>
<tr>
<td>Inventory</td>
<td>(328,606)</td>
<td>(72,600)</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>40,114</td>
<td>(31,700)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(127,327)</td>
<td>(512,261)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,099,755</td>
<td>(479,315)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>236,765</td>
<td>(1,487,780)</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>(408,516)</td>
<td>(408,146)</td>
</tr>
<tr>
<td>Accrued employee benefits</td>
<td>(264,827)</td>
<td>143,390</td>
</tr>
<tr>
<td><strong>Net cash (used in) provided by operating activities</strong></td>
<td>(721,186)</td>
<td>2,337,203</td>
</tr>
<tr>
<td><strong>Cash Flows From Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(1,397,470)</td>
<td>(1,379,376)</td>
</tr>
<tr>
<td>Sales of investments</td>
<td>252,972</td>
<td>1,217,478</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(381,082)</td>
<td>(1,879,688)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,525,580)</td>
<td>(2,041,586)</td>
</tr>
<tr>
<td><strong>Net (Decrease) Increase in Cash and Cash Equivalents</strong></td>
<td>(2,246,766)</td>
<td>295,617</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, at beginning of year</strong></td>
<td>7,227,672</td>
<td>6,932,055</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, at end of year</strong></td>
<td>$ 4,980,906</td>
<td>$ 7,227,672</td>
</tr>
</tbody>
</table>

*See accompanying notes to the consolidated financial statements.*
1. Summary of Accounting Policies

Nature of Organization

The International Code Council, Inc. (“ICC”) and Subsidiaries (the “Council”), a membership association dedicated to building safety and fire prevention, develops codes used to construct residential and commercial buildings, including homes and schools.


Effective July 30, 2010, all assets and liabilities of ICC-ES were sold for $7,400,000 to Evaluation Services LLC (“ES, LLC”) formerly known as ES Acquisition Co, LLC, a Delaware limited liability company formed on March 9, 2010. ES, LLC is a wholly-owned subsidiary of ICC who is also the sole member of ES, LLC. ICC-ES is inactive.

Principles of Consolidation

These consolidated financial statements include all of the accounts of the aforementioned entities. All material intercompany transactions have been eliminated.

Concentration of Risk

The Council maintains its primarily non-interest-bearing cash in bank deposit accounts which, at times, may exceed federally insured limits. The Council has not experienced any losses in such accounts. Management believes that the Council is not exposed to any significant credit risk on cash. All non-interest-bearing cash balances were fully insured at December 31, 2012 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there was no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage reverts to $250,000 per depositor at each financial institution and the Council’s non-interest-bearing cash balances may again exceed federally insured limits.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Council considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investment Valuation

The investments of the Council are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).
International Code Council, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

*Mutual Funds* - Mutual funds’ fair values are determined by reference to the fund’s underlying assets which are principally marketable equity and fixed income securities. Shares held in mutual funds that trade on national securities exchanges are valued at their trading price and are classified within Level 1 of the valuation hierarchy as described in Note 2.

*Corporate Bonds* - Corporate bonds consist of securities traded in markets that are not considered active and are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the Council’s investment manager’s best estimates. These investments are classified within Level 2 of the valuation hierarchy as described in Note 2.

*Accounts Receivable*

Accounts receivable arise during the normal course of business from the sale of publications as well as educational, accreditation and technical services. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for uncollectible amounts. Membership dues are invoiced at the beginning of the respective membership period.

*Other Receivables*

Other receivables arise from grants earned assisting foreign governments in developing or improving building codes and royalties earned but not yet received.

*Inventory*

Inventory is stated at the lower of cost or market using the first-in, first-out method. The inventory consists of publications and other finished goods. Shipping and handling costs are reflected in cost of product. Publications printed internally include only the material cost to print the publication or manual. An inventory obsolescence reserve has been established to recognize that older publications may no longer be saleable. The obsolescence reserve was approximately $750,000 and $1,530,000 as of December 31, 2012 and 2011, respectively.

*Property and Equipment*

Building, equipment and land are carried at cost. Depreciation is computed on the straight-line method over 5 - 7 years for office and computer equipment, vehicles and furniture and fixtures; 20 years for building improvements; and 40 years for buildings. Amortization of building/leasehold improvements is provided using the straight-line method over the shorter of the useful life of the property being amortized or the term of the lease.

Construction in Progress relates to amounts expended for technology projects to improve the code development process, various on-line services, and back office efficiencies. These projects are expected to be completed in 2013 at an estimated cost of $935,000.

Maintenance, repairs and minor renewals are expensed as incurred. When fixed assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations.
During 2011, the Council listed its Whittier, California building for sale for $5,500,000. The net book value of this building on the Council’s balance sheet at December 31, 2012 is approximately $336,600. During 2012, the Council listed its Bellevue, Washington and Westerville, Ohio buildings for sale for $3,000,000 and $1,800,000, respectively. The net book value of the aforementioned buildings on the Council’s balance sheet at December 31, 2012 is approximately, $452,000 and $653,000, respectively.

**Intangible Assets**

Intangible assets with estimable useful lives are amortized on a straight-line basis over their respective estimated useful lives of 15 years.

On an ongoing basis, the Council reviews their definite-lived intangibles and other long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Council recognizes impairment losses if the undiscounted cash flows expected to be generated by the assets are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of December 31, 2012 and 2011, management believes that no such impairments existed.

**Net Assets**

ICC, IAS, ICC-ES, and ES, LLC report information regarding its financial position and activities according to one class of net assets: unrestricted.

ICCF reports information regarding its financial position and activities according to two classes of net assets: unrestricted and temporarily restricted.

Unrestricted net assets include resources which are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported in the statements of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Satisfaction of temporarily restricted net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from temporarily restricted net assets to unrestricted net assets. Where the stipulation of the temporarily restricted net assets is fulfilled in the same year as the original contribution, the contribution is recorded as unrestricted revenue. At December 31, 2012 and 2011, temporarily restricted net assets were primarily related to donations designated for scholarships. Amounts are released from restriction as the funds are spent toward the specific-restricted purpose or the time period has elapsed. Permanently restricted net assets are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained permanently. The Council does not have any permanently restricted net assets.

**Revenue Recognition**

Revenue is recognized when earned. Annual member dues are earned on a pro rata basis over the period of the membership term. Fees for service activities are earned at the time the services are
performed and billed. Monies received for activities that have not yet taken place are recognized as deferred revenue.

ES, LLC and ICC-ES have three primary sources of evaluation revenue: new report, report renewals with changes and report renewals with no changes. All reports require a deposit prior to commencing an evaluation service. Many customers submit deposits based on the total proposal or include anticipated renewal fees in their payment. As a result, ES, LLC and ICC-ES receive monies in excess of initial invoices and reflect these monies as customer deposits on the statements of financial position.

ES, LLC and ICC-ES commence recognition of revenue when the report progresses to the engineering review stage and continues to be earned ratably over the report preparation period ranging from five to sixteen months. For new reports and report renewals with changes, ES, LLC and ICC-ES hold back 25% of the project’s fees until the report is released. Deferred revenue consists of billings for evaluation services which have not been completed as of the financial statement date. Fees for further studies of an existing evaluation are treated as income in the period the services are rendered.

Entities that are accredited by IAS pay a fee to maintain and renew the accreditation. Accreditation renewals last from 1 to 3 years and IAS recognizes income over the life of the accreditation. Any fees received in advance of the renewal period are recorded as deferred revenue to be recognized over the future appropriate periods.

**Investment Income**

Realized and unrealized gains and losses from changes in market values are reflected in the consolidated statements of activities.

Investment sales and purchases are recorded on a trade-date basis, which may result in both investment receivables and payables on unsettled investment trades. Interest income is recorded as earned on an accrual basis.

**Income Taxes**

ICC and its subsidiaries are not-for-profit organizations that are exempt from income taxes. IAS and ICC-ES are exempt under Section 501(c)(4) of the Internal Revenue Code (“IRC”). ICC and ES, LLC are exempt under Section 501(c)(6) of the IRC and ICCF is exempt under Section 501(c)(3) of the IRC. Accordingly, no provision for income taxes has been reflected in the consolidated financial statements. Under comparable state law, ICC and its subsidiaries are also tax exempt.

**Uncertainty in Income Taxes**

The Council follows the provisions of Accounting Standards Codification (“ASC”) 740-10-25, “Income Taxes,” which requires that realization of an uncertain income tax position must be “more likely than not” (i.e. greater than 50% likelihood of receiving benefit) before it can be recognized in the financial statements. Further, ASC 740-10-25 prescribes the benefit to be recorded in the financial statements as the amount most likely to be realized assuming a review by the tax authorities having all relevant information and applying current conventions. ASC 740-10-25 also clarifies the financial statement classification of tax related penalties and interest and sets forth disclosures regarding unrecognized tax benefits. The Council does not believe there are
any uncertain tax positions that should be recorded. No interest or penalties were included in the consolidated statements of activities for the years ended December 31, 2012 or 2011. Tax years going back to 2009 remain open to examination. Should the Council need to accrue interest or penalties on uncertain tax positions, it would recognize the interest as interest expense and the penalties as other expenses.

Functional Allocation of Expenses

In the consolidated statements of activities, salaries and related expenses are first charged to the various programs and supporting services on the basis of actual expense. Expenses are then allocated based on headcount, percentage of revenue or actual usage to programs and administrative categories.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions affecting the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from the estimates.

Reclassifications

Certain reclassifications have been made to the 2011 amounts to conform to the 2012 classifications.

2. Investments

The Council follows ASC 820-10 “Fair Value Measurements,” which establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based upon market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity’s own assumptions of what market participants would use in pricing the asset or liability based upon the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 - Quoted prices in active markets for identical investments,

Level 2 - Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.),

Level 3 - Significant unobservable inputs (including the entity’s own assumptions in determining the fair value of investments).
Investments consist of the following:

<table>
<thead>
<tr>
<th>Investment Assets at Fair Value as of December 31, 2012</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iShares Iboxx</td>
<td>$ 2,973,269</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,973,269</td>
</tr>
<tr>
<td>iShares Barclays</td>
<td>685,724</td>
<td>-</td>
<td>-</td>
<td>685,724</td>
</tr>
<tr>
<td>iShares Core Total U.S.</td>
<td>388,779</td>
<td>-</td>
<td>-</td>
<td>388,779</td>
</tr>
<tr>
<td>Vanguard Short-Term</td>
<td>1,249,217</td>
<td>-</td>
<td>-</td>
<td>1,249,217</td>
</tr>
<tr>
<td>PIMCO Total Return Fund</td>
<td>357,741</td>
<td>-</td>
<td>-</td>
<td>357,741</td>
</tr>
<tr>
<td><strong>Total Mutual Funds</strong></td>
<td>5,654,730</td>
<td>-</td>
<td>-</td>
<td>5,654,730</td>
</tr>
<tr>
<td><strong>Bonds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bond - Bank of America</td>
<td>-</td>
<td>246,250</td>
<td>-</td>
<td>246,250</td>
</tr>
<tr>
<td>Corporate Bond - General Electric</td>
<td>-</td>
<td>103,120</td>
<td>-</td>
<td>103,120</td>
</tr>
<tr>
<td><strong>Total Bonds</strong></td>
<td>-</td>
<td>349,370</td>
<td>-</td>
<td>349,370</td>
</tr>
<tr>
<td><strong>Total Investments at Fair Value</strong></td>
<td>$ 5,654,730</td>
<td>$ 349,370</td>
<td>$ -</td>
<td>$ 6,004,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Assets at Fair Value as of December 31, 2011</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iShares Iboxx</td>
<td>$ 2,793,815</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,793,815</td>
</tr>
<tr>
<td>iShares Barclays</td>
<td>659,065</td>
<td>-</td>
<td>-</td>
<td>659,065</td>
</tr>
<tr>
<td>iShares Core Total U.S.</td>
<td>278,934</td>
<td>-</td>
<td>-</td>
<td>278,934</td>
</tr>
<tr>
<td>Vanguard Short-Term</td>
<td>1,210,957</td>
<td>-</td>
<td>-</td>
<td>1,210,957</td>
</tr>
<tr>
<td>PIMCO Total Return Fund</td>
<td>567,730</td>
<td>-</td>
<td>-</td>
<td>567,730</td>
</tr>
<tr>
<td><strong>Total Mutual Funds</strong></td>
<td>5,510,501</td>
<td>-</td>
<td>-</td>
<td>5,510,501</td>
</tr>
<tr>
<td><strong>Bonds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bond - General Electric</td>
<td>-</td>
<td>98,017</td>
<td>-</td>
<td>98,017</td>
</tr>
<tr>
<td><strong>Total Investments at Fair Value</strong></td>
<td>$ 5,510,501</td>
<td>$ 98,017</td>
<td>$ -</td>
<td>$ 5,608,518</td>
</tr>
</tbody>
</table>

3. Intellectual Property and Other Intangible Assets, Net

Intangible assets include intellectual property, copyrights and trademarks associated with the base international codes. Intangible assets consist of the following:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patents and trademarks</td>
<td>$ 493,439</td>
<td>$ 493,439</td>
</tr>
<tr>
<td>Intellectual property</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Copyrights</td>
<td>22,386</td>
<td>22,386</td>
</tr>
<tr>
<td>Other</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Less accumulated amortization</strong></td>
<td>(454,028)</td>
<td>(417,538)</td>
</tr>
<tr>
<td><strong>Intangible assets, net</strong></td>
<td>$ 116,797</td>
<td>$ 153,287</td>
</tr>
</tbody>
</table>
4. Accrued Employee Benefits

The Council permits employees to accumulate and carry forward vacation as well as sick leave. The Council’s policy limits the accumulation of sick leave to 180 days and limits vacation pay to twice the employee’s annual vacation accrual. The amount of existing vacation and sick leave remaining as of December 31, 2012 and 2011 is approximately $2,774,000 and $3,141,000, respectively.

5. Retirement Plans

The Council has deferred compensation plans including a plan originating with the International Conference of Building Officials (see Note 1) which was assumed by the Council at the time of merger. Per the plan agreements, until distribution is made, an annual increase is credited to the accounts for earnings. The plan assets are maintained with the general assets of the Council. As of December 31, 2012 and 2011, the balance in the deferred compensation liability was approximately $515,000 and $533,000, respectively, included in accrued expenses in the consolidated statements of financial position.

A contributory profit sharing plan has been adopted by the Council for all of its eligible employees. Annual contributions to the trust are payable at the discretion of the Council up to a maximum amount allowable by the Internal Revenue Service. The plan also has a 401(k) provision that allows the employees to contribute to the plan. Contributions by the Council to the plan for the years ended December 31, 2012 and 2011 totaled approximately $423,000 and $359,000, respectively.

6. Lease Obligations

As of December 31, 2012, the Council has two principal operating leases for office space located in Washington, D.C. and a distribution warehouse in Lenexa, Kansas. The leases contain rent escalation clauses and also require payment for real estate taxes as well as other operating expenses and include renewal option clauses. Additionally, there are eight additional leases for office space in other states. Future minimum rental payments required under operating real property leases with non-cancelable lease terms are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$984,476</td>
</tr>
<tr>
<td>2014</td>
<td>880,039</td>
</tr>
<tr>
<td>2015</td>
<td>660,144</td>
</tr>
<tr>
<td>2016</td>
<td>580,835</td>
</tr>
<tr>
<td></td>
<td>$3,105,494</td>
</tr>
</tbody>
</table>

Building, office and warehouse rent including taxes, maintenance and insurance for the years ended December 31, 2012 and 2011 was approximately $983,000 and $1,347,000, respectively.
As of December 31, 2012, the Council also had numerous operating leases for equipment located throughout the United States. Future minimum rental payments required under operating equipment leases with noncancelable lease terms are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$173,498</td>
</tr>
<tr>
<td>2014</td>
<td>173,312</td>
</tr>
<tr>
<td>2015</td>
<td>19,608</td>
</tr>
<tr>
<td>2016</td>
<td>6,313</td>
</tr>
<tr>
<td></td>
<td>$372,731</td>
</tr>
</tbody>
</table>

Equipment rental expense for the years ended December 31, 2012 and 2011 was approximately $276,000 and $273,000, respectively.

7. Commitments

The Council is party to numerous agreements with hotels and meeting facilities for their seminars and conferences. These agreements often include commitments for use of hotel space. As of December 31, 2012, the Council was responsible for commitments for the next two years. For 2013, the Council is responsible for commitments in amounts of approximately $256,000 and $152,000 that relate to the Spring Hearings Dallas and Annual Conference Atlantic City, respectively. For 2014, the Council is responsible for commitments in amounts of approximately $54,000 and $95,000 that relate to the Spring Hearings Memphis and Annual Conference Ft. Lauderdale, respectively.

During 2012 and 2011, Federal Alliance for Safe Homes, Inc. (“Flash, Inc.”) performed management services which included managing various scholarships, coordinating fundraising efforts, and administering various community service projects and was paid $200,000 and $150,000 in fees, respectively, for both years and reimbursed $71,187 and $19,825 for expenses incurred for the years ended December 31, 2012 and 2011, respectively. These expenses are included in outside services on the consolidated statements of activities. The agreement between ICCF and Flash, Inc. was terminated effective December 31, 2012.

A former executive of the Council receives payments under his employment contract that was approved by the Board of Directors at the time of his departure. Under terms of the agreement, the former executive received the remaining payment of $45,000 in 2012.

During 2009, the Council entered into an agreement with T3 Information Systems that expired on April 30, 2011, but was extended through July 31, 2011, to design, configure and implement all modules related to the Microsoft Dynamics Great Plains application to meet the Council’s business objectives relating to budgeting, accounting and reporting. During 2012 and 2011, the Council paid T3 Information Systems approximately $129,000 and $634,000, respectively; $3,280 and $634,000 of these amounts were capitalized in computers and software and construction in progress, respectively, on the consolidated statements of financial position. The project is essentially complete.
During 2009, the Council entered into an agreement with Webteks to perform a thorough review and analysis of the creative images and page layouts of the SharePoint platform-based website for the Council. The Council incurred approximately $0 and $36,000 of costs related to this project for the years ended December 31, 2012 and 2011, respectively; all costs were capitalized.

8. Related-Party Transactions

Some board members act as training instructors or subcontractors to ICC and are paid a fee for their services. Fees paid to these board members during 2012 and 2011 amounted to approximately $57,000 and $24,000, respectively.

IAS also compensated one of its board director approximately $1,000 and $0 for services rendered for the years ended December 31, 2012 and 2011, respectively.

9. Line of Credit

In April 2013, the Council refinanced its line of credit with its existing bank. Maximum availability on the line of credit is $3,000,000 with a maturity date of June 30, 2013. The interest rate on the line of credit is at adjusted LIBOR, as defined in the line of credit agreement as LIBOR plus 1.75% and an unused fee of 0.05%. The line of credit is collateralized by substantially all of the Council’s Illinois assets and requires adherence to certain financial covenants. The Council was in compliance with these covenants as of December 31, 2012. At December 31, 2012 and 2011, there were no amounts outstanding on the line of credit.

10. Subsequent Events

The Council evaluated subsequent events through April 19, 2013, the date the financial statements were available to be issued. No material subsequent events have occurred through April 19, 2013 that required recognition or disclosure in these financial statements.
Independent Auditor’s Report on Supplementary Information

Our audits of the basic consolidated financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those consolidated statements taken as a whole. The supplementary information in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

BDO USA, LLP

April 19, 2013
## Consolidating Statement of Financial Position

### December 31

<table>
<thead>
<tr>
<th></th>
<th>ICC</th>
<th>ES, LLC</th>
<th>ICC-ES</th>
<th>IAS</th>
<th>ICCF</th>
<th>Eliminations</th>
<th>Total</th>
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<td><strong>Assets</strong></td>
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<tr>
<td><strong>Current Assets</strong></td>
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<td>Cash and cash equivalents</td>
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<td>Restricted cash and cash equivalents</td>
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<td>Due from affiliates</td>
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<td>16,719,323</td>
<td>3,822,999</td>
<td>-</td>
<td>322,104</td>
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<td>4,090,740</td>
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<td>15,727,909</td>
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<td>Land</td>
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<td>Furniture and fixtures</td>
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<td>Office equipment</td>
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<td>-</td>
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<td>3,127,178</td>
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<td>Vehicles</td>
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<td>73,184</td>
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<td>Construction in progress</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>617,113</td>
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<td><strong>Less: accumulated depreciation</strong></td>
<td>(20,221,671)</td>
<td>(223,802)</td>
<td>-</td>
<td>(3,307,272)</td>
<td>-</td>
<td>(23,752,745)</td>
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<td><strong>Net Property and Equipment</strong></td>
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<td>-</td>
<td>-</td>
<td>1,429,301</td>
<td>9,785,365</td>
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<tr>
<td>Intellectual Property and Other Intangible Assets, net</td>
<td>116,797</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>116,797</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$32,579,192</td>
<td>$19,816,240</td>
<td>$3,822,999</td>
<td>$4,090,740</td>
<td>$2,750,517</td>
<td>(37,429,617)</td>
<td>$25,630,071</td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
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<td></td>
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<td><strong>Liabilities</strong></td>
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<tr>
<td>Accounts payable</td>
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<td>$97,168</td>
<td>$20,488</td>
<td>-</td>
<td>$1,359,446</td>
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<td>Due to affiliate</td>
<td>28,251,363</td>
<td>9,006,120</td>
<td>-</td>
<td>138,113</td>
<td>34,021</td>
<td>(37,429,617)</td>
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<td>Accrued expenses</td>
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<td>-</td>
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<td>Customer deposits</td>
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<td>446,765</td>
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<td>3,075,776</td>
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<td><strong>Total Liabilities</strong></td>
<td>38,251,796</td>
<td>13,034,004</td>
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<td>1,045,014</td>
<td>59,569</td>
<td>(37,429,617)</td>
<td>14,960,706</td>
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<td><strong>Net Assets</strong></td>
<td>(5,672,604)</td>
<td>6,782,236</td>
<td>3,822,999</td>
<td>3,045,726</td>
<td>2,565,615</td>
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<td>10,543,972</td>
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<td>-</td>
<td>10,543,972</td>
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<td>-</td>
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<td>-</td>
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<td><strong>Total Net Assets</strong></td>
<td>(5,672,604)</td>
<td>6,782,236</td>
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<td>3,045,726</td>
<td>2,691,008</td>
<td>-</td>
<td>10,669,365</td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$32,579,192</td>
<td>$19,816,240</td>
<td>$3,822,999</td>
<td>$4,090,740</td>
<td>$2,750,517</td>
<td>(37,429,617)</td>
<td>$25,630,071</td>
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### Consolidating and Condensed Statement of Activities

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<thead>
<tr>
<th>Year ended December 31</th>
<th>ICC</th>
<th>ES, LLC</th>
<th>ICC-ES</th>
<th>IAS</th>
<th>ICCF</th>
<th>Eliminations</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Support and Revenue</strong></td>
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<tr>
<td>Program services</td>
<td>$11,352,407</td>
<td>$13,832,005</td>
<td>-</td>
<td>$4,178,447</td>
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<td>($121,237)</td>
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<td>Product sales</td>
<td>19,862,077</td>
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<td>-</td>
<td>19,862,077</td>
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<td>-</td>
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<td>$1,385,864</td>
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<td>(557,606)</td>
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<td>Related party operating grant income</td>
<td>1,959,899</td>
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<td>-</td>
<td>-</td>
<td>(1,959,899)</td>
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<tr>
<td>Support and contributions</td>
<td>25,362</td>
<td>-</td>
<td>-</td>
<td>116,222</td>
<td>-</td>
<td>141,584</td>
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<td>Interest Income</td>
<td>45,953</td>
<td>80,791</td>
<td>113,027</td>
<td>46,888</td>
<td>10,154</td>
<td>(113,027)</td>
<td>203,786</td>
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<tr>
<td><strong>Total revenue</strong></td>
<td>35,151,306</td>
<td>13,912,796</td>
<td>113,027</td>
<td>4,225,335</td>
<td>564,111</td>
<td>(3,131,662)</td>
<td>50,834,913</td>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Programs/member services</td>
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<td>8,535,445</td>
<td>-</td>
<td>3,163,734</td>
<td>355,409</td>
<td>(403,098)</td>
<td>38,137,820</td>
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<td>Administrative/support services</td>
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<td>113,027</td>
<td>1,959,900</td>
<td>545,606</td>
<td>225,032</td>
<td>(2,728,564)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,899,873</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
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<td>3,909,340</td>
<td>580,441</td>
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<td>57,014,414</td>
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<td><strong>(Decrease) Increase in Net Assets Before Unrealized</strong></td>
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<td>Gain on Investments</td>
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<td>5,264,324</td>
<td>(1,846,873)</td>
<td>315,995</td>
<td>(16,330)</td>
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<td>(6,179,501)</td>
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<td>Unrealized gain on investments</td>
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<td>105,495</td>
<td>-</td>
<td>62,095</td>
<td>14,057</td>
<td>-</td>
<td>267,472</td>
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<tr>
<td><strong>(Decrease) Increase in Net Assets</strong></td>
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<td>5,369,819</td>
<td>(1,846,873)</td>
<td>378,090</td>
<td>(2,273)</td>
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<td>(5,912,029)</td>
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<td>Net Assets, beginning of year</td>
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<td>1,412,417</td>
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<td>2,667,636</td>
<td>2,693,281</td>
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<td>16,581,394</td>
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<tr>
<td>Net Assets, end of year</td>
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<td>$ 3,045,726</td>
<td>$ 2,691,008</td>
<td>-</td>
<td>$ 10,669,365</td>
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<tr>
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<td>2012</td>
<td>2011</td>
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<td></td>
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<td>$3,596,920</td>
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<td>Report and reexamination fees</td>
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<tr>
<td><strong>Total Program Services</strong></td>
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<tr>
<td>Product Sales</td>
<td>2012</td>
<td>2011</td>
<td></td>
<td></td>
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</tr>
<tr>
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<td>Code publications</td>
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<td>Adoptable</td>
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<td>Directly related to adoptable</td>
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<td>6,018,745</td>
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<td>Non-adoptable</td>
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<td>1,854,006</td>
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<tr>
<td></td>
<td><strong>19,823,061</strong></td>
<td><strong>25,540,828</strong></td>
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<tr>
<td>Total Product Sales</td>
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# Consolidated Schedules of Other Income

**Year ended December 31,**

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<th></th>
<th>2012</th>
<th>2011</th>
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<tr>
<td><strong>Other Income</strong></td>
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<td></td>
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<td>Rental income</td>
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<td>$360,725</td>
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<td>Royalties</td>
<td>964,628</td>
<td>907,482</td>
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<td>Miscellaneous</td>
<td>43,408</td>
<td>79,378</td>
</tr>
<tr>
<td>Gain on disposition of assets</td>
<td>17,805</td>
<td>2,580</td>
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<tr>
<td><strong>Total Other Income</strong></td>
<td><strong>$1,385,864</strong></td>
<td><strong>$1,350,165</strong></td>
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</table>
### Consolidated Schedules of Functional Expenses

#### International Code Council, Inc. and Subsidiaries

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<th></th>
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<th></th>
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<th></th>
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</tr>
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<td>Salaries</td>
<td>$18,089,246</td>
<td>$867,669</td>
<td>$4,383,251</td>
<td>$23,340,166</td>
<td>$18,926,408</td>
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<td>$24,680,269</td>
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<td>Outside services</td>
<td>4,641,688</td>
<td>1,527,936</td>
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<td>5,366,649</td>
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<td>6,593,134</td>
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<td>794,242</td>
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<td>Meetings and travel</td>
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<td>524,796</td>
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<td>Depreciation and amortization</td>
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<td>Payroll taxes</td>
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<td>Taxes, licenses and fees</td>
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<td>Equipment rental and maintenance</td>
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<td>24,172</td>
<td>111,190</td>
<td>524,526</td>
<td>405,019</td>
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<td>Bank/credit card fees</td>
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<td>(427,687)</td>
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<td>(427,687)</td>
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<td>Utilities</td>
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<td>Dues and subscriptions</td>
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<td>31,049</td>
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<td>Sales tax</td>
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<td>(293,964)</td>
<td>(293,964)</td>
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<td>Restructuring expenses</td>
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<td>Totals</td>
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<td>$41,149,503</td>
<td>$8,999,095</td>
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<td>$52,148,594</td>
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</tbody>
</table>
### 2003

The International Codes are in use in 48 states, with local jurisdictions ranging from Anchorage, Alaska, to Miami, Florida. The Code Council consolidates. Pictured at the signing ceremony in Las Vegas are (seated, left to right): ICBO Chairman Roger Evans, ICBO CEO Bob Heinrich, SBCI Board President William L. Duck, SBCI CEO Dominic Sims, BOCA Board Chairman Steve Shapiro, BOCA CEO Paul K. Heidt and (standing, left to right) President of the National Association of Home Builders, Ron Nickson of the National Multi Housing Council, Chief of Staff for the American Institute of Architects, and ICC Board President Paul E. Myers.

The Code Council welcomes the American Gas Association as its newest strategic partner. AGA joins the AIA, the NAHB, the National Multi Housing Council and the BOMA as organizations that have publicly stated their support for the International Codes and consistently lend their resources to achieving code adoptions.

### 2004

At the 2004 Spring Meeting in Overland Park, Kan., more than 600 delegates participate in Final Action Hearings that are the final step of the 2003/2004 Code Development Cycle.

ICC and the National Storm Shelter Association announce they are working to create a new standard for the design and construction of community storm shelters and residential safe rooms. FEMA and the American Red Cross are providing funding for the project.

### 2007

Massachusetts is the 35th state to adopt the IRC statewide while Virginia, Iowa and Washington update to the 2006 I-Codes. Also, the Federal Bureau of Prisons approves the use of the IRC, IPC and IMC for its building projects.

### 2008

Following an EF-5 tornado that devastates Greensburg, Kan., the Code Council and its Heart of America Chapter partner to establish the city’s first Building Inspection Department.


The Code Council welcomes the American Gas Association as its newest strategic partner. AGA joins the AIA, the NAHB, the National Multi Housing Council and the BOMA as organizations that have publicly stated their support for the International Codes and consistently lend their resources to achieving code adoptions.

The Code Council holds its 2007 Annual Conference in Reno, Nev. The ICC Chapter of the Year is the Building Officials Association of Florida.

The U.S. Department of Energy’s Building Energy Codes Program Annual Report cites the ICC as the national benchmark for development, adoption and compliance of energy-efficient buildings.

The ICC Board of Directors approves the creation of a Sustainable Building Technology Committee to support efforts in green, sustainable and safe construction. ICC Evaluation Service announces the development of the Green Verification Program and creates the Sustainable Attributes Verification and EvaluationSM (SAVESM) program.

For its one-year anniversary as a consolidated association, the ICC Board implements the “Blueprint to the Future” initiative to develop a new long-term business plan for the association.

In the wake of Hurricanes Charley and Frances in Florida and Ivan in Alabama, ICC launches an initiative to create a disaster-resistant construction standard.

The Code Council of Home Builders (NAHB) develops the International Residential Construction Code (IRC) to provide a national benchmark for development in all 50 states and Washington, D.C.

### 2011

The Code Council re-engines its Code Councils and expands its Code Action Committee structure. New Membership Councils along with a multidisciplinary Codes and Standards Council broaden participation in ICC technical committees and councils. The Code Action Committee structure also expands to increase the quality of code change proposals.

The Code Council adoption of the recommendations from its CDRAC report with two additional recommendations from the Code Appeals Board not addressed in the CDRAC report.

The Code Board of Directors approves the creation of a Sustainable Building Technology Committee to support efforts in green, sustainable and safe construction. ICC Evaluation Service announces the development of the Green Verification Program and creates the Sustainable Attributes Verification and EvaluationSM (SAVESM) program.

The Code Council’s World Headquarters in Washington, D.C., located just blocks from the U.S. Capitol.

With adoptions in Hawaii, the International Codes are now enforced in all 50 states and Washington, D.C.

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The Code Council holds its 2011 Annual Conference in Phoenix. The ICC Chapter of the Year is the Virginia Plumbing & Mechanical Inspectors Association.

The Code Council holds its 2012 Annual Conference in Portland, Ore. The Chapter of the Year is the Central Florida Chapter of ICC.

### 2012

The U.S. Department of Energy’s Building Energy Codes Program Annual Report cites the ICC as the national benchmark for development, adoption and compliance of energy-efficient buildings.

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<table>
<thead>
<tr>
<th>DAY</th>
<th>TIME</th>
<th>EVENT</th>
<th>LOCATION</th>
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<tbody>
<tr>
<td>SATURDAY, SEPTEMBER 28</td>
<td>8 AM–4:30 PM</td>
<td>10th Annual Bob Fowler Motorcycle Ride</td>
<td>Off Site</td>
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<td></td>
<td>8:30 AM–6 PM</td>
<td>ICC Board Meeting</td>
<td>Sheraton Pearl 1–3</td>
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<td>11:30 AM–5 PM</td>
<td>IAS Board Meeting</td>
<td>321</td>
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<tr>
<td>SUNDAY, SEPTEMBER 29</td>
<td>8 AM–11:30 AM</td>
<td>ICC-ES Board of Managers Meeting (invitation only)</td>
<td>322</td>
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<tr>
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<td>8 AM–5 PM</td>
<td>IAS Board Meeting</td>
<td>321</td>
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<tr>
<td></td>
<td>8 AM–5 PM</td>
<td>10th Annual Bob Fowler Motorcycle Ride</td>
<td>Off Site</td>
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<td></td>
<td>8:30 AM–5 PM</td>
<td>Nomination Committee Meeting</td>
<td>305</td>
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<td>9 AM–5 PM</td>
<td>Registration/Bookstore</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>1 PM–4 PM</td>
<td>Preconference Sandy Tour</td>
<td>Off Site</td>
</tr>
<tr>
<td></td>
<td>1 PM–4:30 PM</td>
<td>ICC-ES Advisory Board (invitation only)</td>
<td>322</td>
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<tr>
<td></td>
<td>3 PM–6 PM</td>
<td>Membership Council Meetings</td>
<td>402</td>
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<td></td>
<td>5 PM–6 PM</td>
<td>First Timer Orientation</td>
<td>312</td>
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<tr>
<td></td>
<td>7 PM–11 PM</td>
<td>Meet &amp; Greet the ICC Candidates</td>
<td>Dusk Nightclub at Caesars Hotel &amp; Casino</td>
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<td>MONDAY, SEPTEMBER 30</td>
<td>7 AM–8:15 AM</td>
<td>Chapter Leadership Breakfast (invitation only) Sponsored by UL</td>
<td>Hall B</td>
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<td>7 AM–5 PM</td>
<td>Registration/Bookstore</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>8:30 AM–11:30 AM</td>
<td>Opening Session/Candidates Forum Sponsored by UL</td>
<td>Hall C</td>
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<tr>
<td></td>
<td>11:45 AM–1 PM</td>
<td>Members Luncheon</td>
<td>Hall C</td>
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<tr>
<td></td>
<td>1:15 PM–4:15 PM</td>
<td>Education Sessions* Sponsored by Target</td>
<td>Rooms for Classes vary</td>
</tr>
<tr>
<td></td>
<td>3:30 PM–3:30 PM</td>
<td>Companions Orientation</td>
<td>314</td>
</tr>
<tr>
<td></td>
<td>3:30 PM–7 PM</td>
<td>Global Forum Sponsored by ICC-ES/IAS</td>
<td>411</td>
</tr>
<tr>
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<td>5 PM–7 PM</td>
<td>ICC Regions Meetings*</td>
<td>Meeting Rooms vary</td>
</tr>
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<td></td>
<td>7 PM–11 PM</td>
<td>Welcome to Atlantic City</td>
<td>Trump Taj Mahal, Il Mulino</td>
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<td>TUESDAY, OCTOBER 1</td>
<td>7 AM–5 PM</td>
<td>Registration/Bookstore</td>
<td>Prefunction C</td>
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<td>8 AM–11 AM</td>
<td>Annual Business Meeting</td>
<td>Hall C</td>
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<td>8 AM–11:30 AM</td>
<td>ES Industry Advisory Committee (invitation only)</td>
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<td>9 AM–4 PM</td>
<td>Companions Tours (Historic Philadelphia/Cape May) Awards Luncheon</td>
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<td>11:15 AM–12:45 PM</td>
<td>Education Sessions* Sponsored by Target</td>
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<td>1:15 PM–4:15 PM</td>
<td>Companions Orientation</td>
<td>Rooms for Classes vary</td>
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<td>1 PM–3 PM</td>
<td>Government Relations Forum</td>
<td>322</td>
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<td>1:30 PM–3:30 PM</td>
<td>Past Presiding Officers Meeting</td>
<td>314</td>
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<td></td>
<td>3:15 PM–5:15 PM</td>
<td>Major Jurisdiction Committee</td>
<td>321</td>
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<td></td>
<td>4 PM–8 PM</td>
<td>Expo</td>
<td>Hall D</td>
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<td>4:30 PM–6 PM</td>
<td>Delegate Photos</td>
<td>Hall D</td>
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<tr>
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<td>6 PM–8 PM</td>
<td>President’s Reception</td>
<td>Hall D</td>
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<tr>
<td>WEDNESDAY, OCTOBER 2</td>
<td>7 AM–5 PM</td>
<td>Registration/Bookstore</td>
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<td>8 AM–11 AM</td>
<td>Education Sessions* Sponsored by Target</td>
<td>Rooms for Classes vary</td>
</tr>
<tr>
<td></td>
<td>10 AM–1 PM</td>
<td>Companions Brunch</td>
<td>Trump Taj Mahal, II Mulino</td>
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<tr>
<td></td>
<td>11 AM–2 PM</td>
<td>Expo</td>
<td>Hall D</td>
</tr>
<tr>
<td></td>
<td>11:30 AM–12:45 PM</td>
<td>Education Sessions* Sponsored by State Farm</td>
<td>Hall C</td>
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<tr>
<td></td>
<td>1 PM–5 PM</td>
<td>Public Comment Hearings</td>
<td>Hall D</td>
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<tr>
<td></td>
<td>5 PM–7 PM</td>
<td>Banquet Reception Sponsored by AGA Annual Banquet</td>
<td>Hall B</td>
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<tr>
<td></td>
<td>7 PM–10 PM</td>
<td>ICC-ES Advisory Board (invitation only)</td>
<td>Hall A</td>
</tr>
<tr>
<td></td>
<td>10 PM–MIDNIGHT</td>
<td>Preview to 2014</td>
<td>Fort Lauderdale Reception</td>
</tr>
<tr>
<td>THURSDAY, OCTOBER 3</td>
<td>7 AM–5 PM</td>
<td>Registration/Bookstore</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>8 AM–5 PM</td>
<td>Certification and Testing</td>
<td>308–309</td>
</tr>
<tr>
<td></td>
<td>8 AM–10 PM</td>
<td>Public Comment Hearings</td>
<td>Hall C</td>
</tr>
<tr>
<td></td>
<td>9 AM–5 PM</td>
<td>ICC Board Meeting</td>
<td>Sheraton Pearl 1-3</td>
</tr>
<tr>
<td>FRIDAY, OCTOBER 4</td>
<td>7 AM–5 PM</td>
<td>Registration</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>8 AM–5 PM</td>
<td>Certification and Testing</td>
<td>308–309</td>
</tr>
<tr>
<td></td>
<td>8 AM–10 PM</td>
<td>Public Comment Hearings</td>
<td>Hall C</td>
</tr>
<tr>
<td>SATURDAY, OCTOBER 5–WEDNESDAY, OCTOBER 9</td>
<td>7 AM–5 PM</td>
<td>Registration</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>8 AM–10 PM</td>
<td>Public Comment Hearings</td>
<td>Hall C</td>
</tr>
<tr>
<td>THURSDAY, OCTOBER 10</td>
<td>7 AM–NOON</td>
<td>Registration</td>
<td>Prefunction C</td>
</tr>
<tr>
<td></td>
<td>8 AM–NOON</td>
<td>Public Comment Hearings</td>
<td>Hall C</td>
</tr>
</tbody>
</table>

*Refer to Program for Education Sessions and room locations
The names and addresses of the current Members of ICC are located at the Birmingham, Alabama office.
Please join us next year at:

**2014 ANNUAL CONFERENCE AND GROUP B FINAL ACTION HEARINGS**

**Annual Conference:** September 28 – October 1, 2014  
**Group B Final Action Hearings:** October 1–7, 2014  
*Fort Lauderdale Convention Center, Fort Lauderdale, Florida*