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November 28, 2023

Board of Directors
Indianapolis Private Industry Council
d/b/a EmployIndy
115 W. Washington St.
Indianapolis, IN 46204

We have reviewed the audit report of Indianapolis Private Industry Council d/b/a EmployIndy, which was opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Indianapolis Private Industry Council d/b/a EmployIndy as of June 30, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
D/B/A EMPLOYINDY
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2019 and 2018

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL D/B/A EMPLOYINDY
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Indianapolis Private Industry Council d/b/a EmployIndy (EmployIndy), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EmployIndy as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, EmployIndy has adopted ASU 2016-14 - *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of state and local governmental awards are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, on our consideration of EmployIndy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EmployIndy's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
February 12, 2020

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 4,404,752	\$ 4,850,147
Grant reimbursements receivable	2,497,511	2,031,786
Prepaid expenses	78,190	65,600
Property and equipment, net	<u>164,978</u>	<u>7,218</u>
Total assets	<u>\$ 7,145,431</u>	<u>\$ 6,954,751</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 1,588,362	\$ 1,549,227
Accrued expenses	174,737	191,342
Deferred revenue	346,141	36,953
Other liabilities	<u>252,562</u>	<u>197,509</u>
Total liabilities	<u>2,361,802</u>	<u>1,975,031</u>
Net Assets		
Without donor restrictions	771,608	325,306
With donor restrictions	<u>4,012,021</u>	<u>4,654,414</u>
Total net assets	<u>4,783,629</u>	<u>4,979,720</u>
Total liabilities and net assets	<u>\$ 7,145,431</u>	<u>\$ 6,954,751</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF ACTIVITIES
Years ended June 30, 2019 and 2018

	-----2019-----			-----2018-----		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support						
Contributions	\$ -	\$ 207,238	\$ 207,238	\$ 59,718	\$ 5,212,589	\$ 5,272,307
Government grants – federal	8,586,667	-	8,586,667	12,578,593	-	12,578,593
Grants – other	5,300,858	-	5,300,858	3,381,564	-	3,381,564
Miscellaneous income	15,125	-	15,125	14,812	-	14,812
Net assets released from restrictions	<u>849,631</u>	<u>(849,631)</u>	<u>-</u>	<u>1,193,852</u>	<u>(1,193,852)</u>	<u>-</u>
Total revenues, gains, and other support	<u>14,752,281</u>	<u>(642,393)</u>	<u>14,109,888</u>	<u>17,228,539</u>	<u>4,018,737</u>	<u>21,247,276</u>
Expenses						
Program services	12,427,971	-	12,427,971	15,136,543	-	15,136,543
Fund raising	289,829	-	289,829	292,804	-	292,804
Management and general	<u>1,588,179</u>	<u>-</u>	<u>1,588,179</u>	<u>1,599,322</u>	<u>-</u>	<u>1,599,322</u>
Total expenses	<u>14,305,979</u>	<u>-</u>	<u>14,305,979</u>	<u>17,028,669</u>	<u>-</u>	<u>17,028,669</u>
Change in Net Assets	446,302	(642,393)	(196,091)	199,870	4,018,737	4,218,607
Net Assets, Beginning of Year	<u>325,306</u>	<u>4,654,414</u>	<u>4,979,720</u>	<u>125,436</u>	<u>635,677</u>	<u>761,113</u>
Net Assets, End of Year	<u>\$ 771,608</u>	<u>\$ 4,012,021</u>	<u>\$ 4,783,629</u>	<u>\$ 325,306</u>	<u>\$ 4,654,414</u>	<u>\$ 4,979,720</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF CASH FLOWS
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (196,091)	\$ 4,218,607
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	40,125	61,770
Changes in:		
Grant reimbursements receivable	(465,725)	(224,516)
Prepaid expenses	(12,590)	(6,008)
Accounts payable, accrued expenses and other liabilities	77,583	(269,587)
Deferred revenue	<u>309,188</u>	<u>(20,181)</u>
Net cash from operating activities	(247,510)	3,760,085
Cash flows from investing activities		
Purchases of equipment	<u>(197,885)</u>	<u>(54,639)</u>
Net cash from investing activities	<u>(197,885)</u>	<u>(54,639)</u>
Net change in cash	(445,395)	3,705,446
Cash at beginning of year	<u>4,850,147</u>	<u>1,144,701</u>
Cash at end of year	<u>\$ 4,404,752</u>	<u>\$ 4,850,147</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Indianapolis Private Industry Council d/b/a EmployIndy (“EmployIndy”), the Workforce Development Board (WDB) for Marion County, was incorporated as a not-for-profit organization on June 23, 1983, under the laws of the State of Indiana.

The WDB within each Workforce Service Area (WSA) is responsible for providing policy guidance for, and exercising oversight with respect to, activities under its job training plan in partnership with local units of government. The WDB is also responsible for selecting the WSA’s service providers for allocated Workforce Innovation and Opportunity Act (WIOA) funds from the Indiana Department of Workforce Development. EmployIndy is designated as the fiscal agent for the Marion County WSA by the local elected officials and therefore receives funds directly from the State of Indiana’s Department of Workforce Development under the federal WIOA. These funds represent EmployIndy’s core funding source and are directly allocated to EmployIndy. Although EmployIndy’s primary funding source is WIOA, EmployIndy actively competes for other federal, state and private grants.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash: EmployIndy’s deposit accounts exceeded federally insured limits at June 30, 2019 and 2018 by approximately \$4,155,000 and \$4,600,000, respectively.

Property and Equipment: Expenditures for property, equipment, and items that substantially increase the useful lives of existing assets are capitalized at cost. EmployIndy provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	<u>Years</u>
Furnishings and equipment	3-10

EmployIndy capitalizes all equipment purchases acquired under government grants if it is probable that EmployIndy will ultimately receive title to the assets. Title to the equipment acquired under government grants is held by the granting agency while used in the program for which it was purchased or other future authorized programs. The disposition of this equipment, as well as the right to a proportionate share of any proceeds therefrom, is subject to funding source regulations.

Impairment of Long-Lived Assets: On an ongoing basis, EmployIndy reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. EmployIndy recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related assets. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment loss has been recognized during the years ended June 30, 2019 and 2018.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Deferred Revenue: Revenues received for services provided, in advance of being earned, are deferred and recognized over the periods in which the services are performed, and revenues are earned.

EmployIndy has a grant agreement with the City of Indianapolis to fund the workforce training program. EmployIndy often receives these funds in advance of services. For the year ended June 30, 2019, \$309,188 was expended and \$346,141 remained as deferred revenue. For the year ended June 30, 2018, \$20,181 was expended and \$36,953 remained as deferred revenue.

Net Asset Classifications: The financial statements have been prepared in accordance with GAAP. This requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as without donor restrictions or with donor restrictions.

The following classes of net assets are maintained:

Net Assets Without Donor Restrictions – The net assets without donor restrictions class includes general assets and liabilities of EmployIndy. The net assets without donor restrictions of the entity may be used at the discretion of management to support EmployIndy's purposes and operations.

Net Assets With Donor Restrictions - This net asset class includes assets of EmployIndy whose use has been limited by donors to a specific period of time or purpose. Amounts are released from restriction when used for satisfaction of the donors' restrictions or the passage of the specific period of time. Releases during the years ended June 30, 2019 and 2018 totaled \$849,631 and \$1,193,852, respectively.

The net assets with donor restrictions class also includes assets of EmployIndy related to contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of EmployIndy. EmployIndy had no net assets of this nature as of June 30, 2019 and 2018.

Contributions: Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction.

Government Grants: Support funded by grants is recognized as EmployIndy performs the contracted services under grant agreements. Grant expenditures are subject to audit and acceptance by the granting agency. As a result of such audit, adjustments could be required.

Income Taxes: EmployIndy is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

GAAP requires EmployIndy to recognize a tax liability only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded. EmployIndy has examined this issue and has determined there are no material contingent tax liabilities or questionable tax positions.

EmployIndy does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. EmployIndy recognizes interest and/or penalties related to income tax matters in income tax expense. EmployIndy did not have any amounts accrued for interest and penalties at June 30, 2019 or 2018.

Functional Allocation of Expenses: EmployIndy reports expenditures that can be specifically identified with a particular program objective to the appropriate funding source and cost category. EmployIndy's indirect and other pooled expenses are allocated monthly to the various projects or grants based on a cost allocation plan accepted by its oversight agency, which includes allocating certain expenditures based on full-time employees and the percent of time charged to various projects by these employees.

Recently Adopted Accounting Guidance: In August 2016, FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) (ASU 2016-14)*. ASU 2016-14 makes several improvements to current reporting requirements that address the complexities related to not-for-profit reporting. The guidance requires the entity to provide qualitative and quantitative information that communicates how the entity manages liquid resources available to meet cash needs within one year of the statement of net position date. It also requires the entity to disclose expenses by both natural and functional classification as well as methods used to allocate between program and support functions. ASU 2016-14 requires the entity to report investment return net of external and direct internal investment expenses and no longer requires disclosure of those netted expenses. Lastly, it reduces the number of net asset classifications from three to two. EmployIndy implemented this guidance for the year ended June 30, 2019 and retroactively applied the guidance to the year ended June 30, 2018. The new disclosures are presented in the statements of financial position, statement of activities, and Notes 8 and 9.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2019, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2019. Management has performed their analysis through February 12, 2020, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

EmployIndy's property and equipment is as follows:

	<u>2019</u>	<u>2018</u>
Furnishings and equipment	\$ 210,512	\$ 1,227,499
Accumulated depreciation and amortization	<u>(45,534)</u>	<u>(1,220,281)</u>
	<u>\$ 164,978</u>	<u>\$ 7,218</u>

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 3 - LEASES

EmployIndy leases office space and various items of equipment under operating lease arrangements. These leases expire at various dates through March 2029. Rental expense for these leases included in the statements of activities for the years ended June 30, 2019 and 2018 was \$276,664 and \$350,157, respectively.

Minimum annual rental payments required under the operating leases, which have remaining terms in excess of one year as of June 30, 2019, are as follows:

2020	\$ 435,156
2021	443,734
2022	452,402
2023	453,878
2024	457,594
Thereafter	<u>1,347,172</u>
	<u>\$ 3,589,936</u>

NOTE 4 - NET ASSETS

Net assets with donor restrictions at June 30 are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Workforce Innovations	\$ 121,123	\$ 132,503
Youth Employment Services	3,877,668	4,508,485
Hire Up Indy	12,514	12,514
Jobs for America's Graduates	<u>716</u>	<u>912</u>
	<u>\$ 4,012,021</u>	<u>\$ 4,654,414</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Workforce Innovations	\$ 11,380	\$ 85,245
Youth Employment Services	805,817	1,093,426
Hire Up Indy	-	15,181
Crime Prevention	32,238	-
Jobs for America's Graduates	<u>196</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 849,631</u>	<u>\$ 1,193,852</u>

NOTE 5 - EMPLOYEE BENEFITS

EmployIndy maintains a 401(k) plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. EmployIndy's contribution consists of a contribution of 7% of eligible compensation that amounted to \$101,116 and \$63,506 for 2019 and 2018, respectively.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 6 - RELATED PARTY TRANSACTIONS

One voting WDB member of EmployIndy, who also serves on the Youth Council, is employed by a contractor of services for EmployIndy. Payments to this contractor for the years ended June 30, 2019 and 2018 were \$321,070 and \$344,876, respectively.

NOTE 7 - CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Revenue: For the years ended June 30, 2019 and 2018, revenue from federal funding sources represented approximately 61% and 59%, respectively, of EmployIndy's total revenue. For the years ended June 30, 2019 and 2018, revenue from contributions represented approximately 1% and 25%, respectively, of EmployIndy's total revenue.

Contributions: Approximately 84% and 99% of all contributions were received from one donor in 2019 and 2018, respectively.

NOTE 8 - FUNCTIONAL EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of EmployIndy. Program Activities include adult and dislocated worker career services, youth services, and business partnership services. The tables below present these functional expenses by their natural classification for the years ended June 30, 2019 and 2018, respectively, with comparative totals shown in 2019.

	Program Services							2019 Total	2018 Total	
	Adult & Dislocated		Business Partnership			Fund Raising	Management &			
	Worker Career Services	Youth Services	Services		Total		General			
Salaries	\$ 461,281	\$ 730,818	\$ 661,087	\$ 1,853,186	\$ 200,356	\$ 792,005	\$ 2,845,547	\$ 2,472,092		
Employee benefits	45,554	148,131	117,672	311,357	14,259	221,000	546,616	510,118		
Payroll taxes	36,278	96,196	81,787	214,261	31,480	154,404	400,145	283,370		
Total salaries and benefits	543,113	975,145	860,546	2,378,804	246,095	1,167,409	3,792,308	3,265,580		
Professional fees and contract services	2,632,273	3,362,141	177,975	6,172,389	-	161,482	6,333,871	10,252,057		
Program expenses and operating supplies	116,008	141,378	16,406	273,792	1,075	25,177	300,044	263,520		
Occupancy	135,313	52,501	65,854	253,668	20,000	33,001	306,669	344,743		
Equipment/IT services	186,972	113,355	93,628	393,955	2,981	10,457	407,393	396,107		
Printing and publications	26,532	44,993	11,159	82,684	338	60,076	143,098	107,214		
Telephone/Internet	42,531	16,359	19,488	78,378	559	15,747	94,684	83,049		
Postage and shipping	7,538	25,532	2,252	35,322	-	833	36,155	22,587		
Transportation/Travel	9,093	21,528	13,356	43,977	4,751	20,063	68,791	62,785		
Conferences and meetings	5,583	34,797	6,964	47,344	3,730	17,780	68,854	37,103		
Membership dues	8,532	15,645	21,383	45,560	2,500	18,100	66,160	54,792		
Interest expense	-	-	-	-	-	3,990	3,990	5,063		
Depreciation	-	-	-	-	-	40,125	40,125	61,770		
Miscellaneous	677	1,150	585	2,412	-	13,939	16,351	9,875		
Client job training	841,988	714,493	600,000	2,156,481	-	-	2,156,481	1,462,984		
Client supportive service	75,088	253,885	-	328,973	-	-	328,973	495,787		
Outreach	101,264	26,206	6,762	134,232	7,800	-	142,032	103,653		
Total expenses	\$ 4,732,505	\$ 5,799,108	\$ 1,896,358	\$ 12,427,971	\$ 289,829	\$ 1,588,179	\$ 14,305,979	\$ 17,028,669		

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2019 and 2018

NOTE 8 - FUNCTIONAL EXPENSES BY NATURE (Continued)

	Program Services				Fund Raising	Management & General	2018 Total
	Adult & Dislocated Worker Career Services	Youth Services	Business Partnership Services	Total			
Salaries	\$ 404,779	\$ 508,725	\$ 587,549	\$ 1,501,053	\$ 185,498	\$ 785,541	\$ 2,472,092
Employee benefits	54,876	88,547	95,076	238,499	25,789	245,830	510,118
Payroll taxes	25,988	48,957	54,848	129,793	39,857	113,720	283,370
Total salaries and benefits	485,643	646,229	737,473	1,869,345	251,144	1,145,091	3,265,580
Professional fees and contract services	5,354,879	4,458,759	287,275	10,100,913	-	151,144	10,252,057
Program expenses and operating supplies	95,081	104,587	24,545	224,213	548	38,759	263,520
Occupancy	156,486	49,548	68,545	274,579	15,985	54,179	344,743
Equipment/IT services	154,024	105,487	98,548	358,059	2,549	35,499	396,107
Printing and publications	35,045	45,487	15,487	96,019	450	10,745	107,214
Telephone/Internet	39,458	19,845	11,548	70,851	658	11,540	83,049
Postage and shipping	5,449	13,548	1,548	20,545	458	1,584	22,587
Transportation/Travel	5,402	15,785	9,602	30,789	1,985	30,011	62,785
Conferences and meetings	4,857	5,498	3,458	13,813	1,802	21,488	37,103
Membership dues	6,587	19,458	4,586	30,631	1,587	22,574	54,792
Interest expense	-	-	-	-	-	5,063	5,063
Depreciation	-	-	-	-	-	61,770	61,770
Miscellaneous	-	-	-	-	-	9,875	9,875
Client job training	452,579	685,405	325,000	1,462,984	-	-	1,462,984
Client supportive service	35,757	158,750	301,280	495,787	-	-	495,787
Outreach	65,849	18,579	3,587	88,015	15,638	-	103,653
Total expenses	\$ 6,897,096	\$ 6,346,965	\$ 1,892,482	\$ 15,136,543	\$ 292,804	\$ 1,599,322	\$ 17,028,669

The allocations of certain categories of expenses attributable to more than one program or supporting function are described in Note 1.

NOTE 9 - LIQUIDITY AND AVAILABILITY

EmployIndy's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,404,752	\$ 4,850,147
Grants receivable	<u>2,497,511</u>	<u>2,031,786</u>
Total financial assets	6,902,263	6,881,933
Less amounts not available to be used within one year:		
Net assets subject to donor restriction	<u>4,012,021</u>	<u>4,654,414</u>
Total financial assets not available to be used within one year	<u>4,012,021</u>	<u>4,654,414</u>
Financial assets expected to be available to meet general expenditures within one year	<u>\$ 2,890,242</u>	<u>\$ 2,227,519</u>

As part of EmployIndy's liquidity management, EmployIndy invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SUPPLEMENTARY INFORMATION

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2019

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant or Identifying Number	Expenditures
<u>Department of Labor</u>			
<i>Direct Programs:</i>			
H-1B Job Training Grants	17.268	HG26662XNO	\$ 989,021
WIOA Dislocated Worker National Reserve Demonstration – Summer Jobs and Beyond: Career Pathways for Youth (CPY)	17.280	MI289921JO	<u>202,083</u>
Total Direct Programs -Department of Labor			<u>1,191,104</u>
<i>Pass-through programs:</i>			
State of Indiana, Department of Workforce Development Workforce Innovation and Opportunity Act (WIOA) Cluster			
WIOA - Adult	17.258	AA-28315-16-55-A-18	2,633,072
WIOA – Youth Activities	17.259	AA-28315-16-55-A-18	1,669,731
WIOA – Dislocated Worker Formula Grants	17.278	AA-28315-16-55-A-18	1,211,014
WIOA – CM	17.245	18506147	21,946
WIOA – LMS	17.258	18510373	57,884
Business Solutions	17.278	190434787	120,000
Rapid Response	17.278	AA-26778-15-55-A-18	<u>5,000</u>
Total WIOA Cluster			5,718,647
Unemployment Insurance State Administration	17.225	UI-30216-17-60-A-18 and UI-31516-18-60-A-18	594,624
Trade Adjustment Assistance	17.245	TA-28049-16-55-A-18	55,261
Apprenticeship USA Expansion and Innovation Grants	17.285	AP-30077-16-60-A-18	<u>23,255</u>
Total Pass-through Department of Labor			<u>6,391,787</u>
Total Department of Labor			7,582,891
<u>Department of Health and Human Services</u>			
<i>Pass-through programs:</i>			
Indiana Department of Workforce Development Temporary Assistance for Needy Families	93.558	1502INSOSR	696,401
<u>Department of Housing and Urban Development</u>			
<i>Pass-through programs:</i>			
City of Indianapolis Community Development Block Grant (CDBG)	14.218	1300002610 and 1300002710	<u>300,177</u>
Total Expenditures of Federal Awards			<u>\$ 8,579,469</u>

See Note to Schedule of Expenditures of Federal Awards.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2019

EmployIndy provided federal awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
<u>Department of Labor</u>		
<i>Direct Programs:</i>		
H-IB Job Training Grant	17.268	\$ 179,190
WIOA Dislocated Worker National Reserve Demonstration - Summer Jobs and Beyond: Career Pathways for Youth (CPY)	17.280	<u>149,852</u>
Total Direct Programs - Department of Labor		<u>329,042</u>
<i>Pass-through programs:</i>		
State of Indiana, Department of Workforce Development Workforce Innovation and Opportunity Act (WIOA) Cluster		
WIOA - Adult	17.258	1,086,057
WIOA – Youth Activities	17.259	892,108
WIOA – LMS	17.258	48,800
WIOA – Dislocated Worker Formula Grant	17.278	<u>221,751</u>
Total WIOA Cluster		2,248,716
Unemployment Insurance State Administration	17.225	<u>464,783</u>
Total Pass-through Department of Labor		<u>2,713,499</u>
Total Department of Labor		3,042,542
<u>Department of Health and Human Services</u>		
<i>Pass-through programs:</i>		
Indiana Department of Workforce Development Temporary Assistance for Needy Families	93.558	562,499
<u>Department of Housing and Urban Development</u>		
<i>Pass-through programs:</i>		
City of Indianapolis Community Development Block Grant	14.218	<u>251,951</u>
Total expenditures of federal awards to subrecipients		<u>\$ 3,856,991</u>

See Note to Schedule of Expenditures of Federal Awards.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of EmployIndy under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EmployIndy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of EmployIndy.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, in the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. EmployIndy has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indianapolis Private Industry Council d/b/a EmployIndy (EmployIndy), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered EmployIndy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EmployIndy's internal control. Accordingly, we do not express an opinion on the effectiveness of EmployIndy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EmployIndy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
February 12, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of Indianapolis Private Industry Council d/b/a EmployIndy (EmployIndy) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of EmployIndy's major federal programs for the year ended June 30, 2019. EmployIndy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of EmployIndy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EmployIndy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of EmployIndy's compliance.

Opinion on Each Major Federal Program

In our opinion, EmployIndy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

(Continued)

Report on Internal Control Over Compliance

Management of EmployIndy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered EmployIndy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of EmployIndy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 12, 2020

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<i>WIOA Cluster:</i>
17.258	WIOA Adult
17.259	WIOA Youth
17.278	WIOA Dislocated Worker Formula Grant
17.278	Business Solutions
17.278	Rapid Response
17.245	WIOA CM
17.258	WIOA LMS

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2019

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None Reported

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL GOVERNMENTAL AWARDS
June 30, 2019

<u>Pass-through/Program Title</u>	<u>Amount</u>
<u>Indiana Department of Workforce Development</u>	
Justice Assistance Grant - JAG	\$ 1,011,021
Jobs for Hoosiers	68,065
WorkINdiana	<u>256,539</u>
	<u>1,335,625</u>
 <u>City of Indianapolis – Department of Metropolitan Development</u>	
KSM Consulting	43,216
Angie's List	411,491
Bond Bank	38,629
Salesforce TIF	220,000
Indy Achieves	489,254
Carrier	33,209
Comm for Higher Ed	<u>9,625</u>
	<u>1,245,424</u>
Total state and local governmental expenditures	<u>\$ 2,581,049</u>

The State Board of Accounts set forth guidelines that requires entities to show a Schedule of Expenditures of Federal Awards and a Schedule of Expenditures of State and Local Governmental Awards. The schedule above shows EmployIndy's expenditures of governmental awards that were received from state and local departments for the year ended June 30, 2019.

**See schedule of expenditures of federal awards on page 12 for federal grant activity.