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STATE OF INDIANA

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November 20, 2009

Board of Directors
Indiana Construction Education Council, Inc.
One N. Pennsylvania St., Ste. 600
Indianapolis, IN 46204

We have reviewed the audit report prepared by Clifton Gunderson, LLP, Independent Public Accountants, for the period July 1, 2007 to June 30, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Indiana Construction Education Council, Inc., as of June 30, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

We call your attention to the findings in the report. The Independent Auditor's Report makes mention of going concern considerations. The management letter contains three comments.

STATE BOARD OF ACCOUNTS

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2008

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Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

The Executive Board and Members
Indiana Construction Education Council, Inc.
Indianapolis, Indiana

We have audited the accompanying statement of financial position of Indiana Construction Education Council, Inc. as of June 30, 2008, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of Indiana Construction Education Council, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Construction Education Council, Inc. as of June 30, 2008, and the results of its activity and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Organization will continue as a going concern. As discussed in Note 5, the Organization will no longer receive grant money after June 30, 2008 which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole. The preceding paragraph describes factors that raise substantial doubt about the Organization's ability to continue as a going concern. The accompanying supplemental information does not include any adjustment that might result from the outcome of this uncertainty.

Clifton Gunderson LLP

Indianapolis, Indiana
December 19, 2008

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

CURRENT ASSETS	
Cash	$ 102,896
Accounts receivable	1,272,736
Total current assets	1,375,632
TOTAL ASSETS	$ 1,375,632

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	$ 1,203,142
UNRESTRICTED NET ASSETS	172,490
TOTAL LIABILITIES AND NET ASSETS	$ 1,375,632

These financial statements should be read only in connection with the accompanying notes to financial statements.

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
STATEMENT OF ACTIVITY
Year Ended June 30, 2008

REVENUES, GAINS AND OTHER INCOME	
Grant income	$ 3,227,696
EXPENSES	
Operating expenses	3,198,246
CHANGE IN UNRESTRICTED NET ASSETS	29,450
UNRESTRICTED NET ASSETS, BEGINNING BALANCE	143,040
UNRESTRICTED NET ASSETS, ENDING BALANCE	$ 172,490

These financial statements should be read only in connection with the accompanying notes to financial statements.

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Grant income received	$ 3,954,840
Cash paid to suppliers and employees	(4,268,714)
Net cash used in operating activities	(313,874)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(313,874)
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE	416,770
CASH AND CASH EQUIVALENTS, ENDING BALANCE	$ 102,896

RECONCILIATION OF CHANGE IN UNRESTRICTED NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES	
Change in unrestricted net assets	$ 29,450
Changes in assets and liabilities:	
Accounts receivable	727,144
Accounts payable	(1,070,468)
Total adjustments	(343,324)
NET CASH USED IN OPERATING ACTIVITIES	$ (313,874)

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Indiana Construction Education Council, Inc. (ICEC) is a nonprofit organization designed to further construction education in central Indiana. The organization receives all of its funding from one source and the grant is set to expire in 2008. The ICEC office is located in Indianapolis, Indiana.

NET ASSET CLASSIFICATIONS

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements of Not-for-Profit Organizations.* SFAS No. 117 requires, among other things, that the financial statements report the changes in total and of each net asset class, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The organization only has unrestricted net assets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

ACCOUNTS RECEIVABLE

Grant revenue receivable consists of amounts due to the organization for the grant period ended June 30, 2008.

REVENUE RECOGNITION

The organization recognizes income when participants have completed a semester and are eligible for reimbursement.

INCOME TAXES

ICEC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Additionally, ICEC is exempt from Indiana income tax under applicable sections of state law. The organization is not considered to be a private foundation.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles 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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

OPERATING EXPENSES

The organization's operating expense are all related to one program.

NOTE 2 – GRANT INCOME

The organization contracted with the Indiana Department of Workforce Development for grant revenue. The term of the grant is from July 1, 2007 to June 30, 2008 for a maximum payment of $3,500,000. The primary objective of the grant is to develop and maintain well trained and skilled manpower for the construction industry. The grant covers a maximum of $2,000,000 for educational programs for union members obtaining an associates degree or technical certification and is based on program enrollment for the fall 2007 semester and the spring 2008 semester. The grant also contains a minority incentive payment up to $1,500,000 based on minority targets achieved by various regions in the state of Indiana. For the grant year ended June 30, 2008, $3,227,696 was received and receivable.

After June 30, 2008, future grants will be administered by the schools.

NOTE 3 – RELATED PARTIES

ICEC leases its office space from a related party under terms of a lease agreement, signed on July 2, 2007 on a month to month basis. The lease requires monthly payments of $500 and total rent expense for 2008 was $6,000.

NOTE 4 – CONCENTRATIONS

ICEC holds funds at a financial institution in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The amount in excess of the FDIC at June 30, 2008 is $38,083.

All revenues are received from one source, the Indiana Department of Workforce Development. See Note 2.

NOTE 5 – CONTINGENCIES

The grant described in Note 2 expired as of June 30, 2008 and is not expected to be renewed. These factors raise substantial doubt about the organization's ability to continue as a going concern. The organization will continue to operate on amounts retained for administrative functions. The Executive Board has not made a formal decision to dissolve the organization at the date of this report and management has consulted an attorney on the remaining grant amounts. It is estimated that the remaining funds will be approximately $50,000.

SUPPLEMENTAL INFORMATION

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
SCHEDULE OF OPERATING EXPENSES
Year Ended June 30, 2008

Salaries	$ 75,000
Payroll taxes	6,997
Rent	6,000
Legal and accounting	13,079
Telephone	1,605
Travel	2,643
Insurance	9,018
Office expense	2,903
Printing	1,113
Dues and subscriptions	25
Postage	138
Payments to unions	3,078,492
Miscellaneous	1,233
TOTAL OPERATING EXPENSES	$ 3,198,246

INDIANA CONSTRUCTION EDUCATION COUNCIL, INC.
Indianapolis, Indiana

MANAGEMENT LETTER
December 19, 2008

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Board of Directors
Management
Indiana Construction Education Council, Inc.
Indianapolis, Indiana

In planning and performing our audit of the financial statements of Indiana Construction Education Council, Inc. as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Indiana Construction Education Council, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

Segregation of Duties

The Organization's limited number of personnel makes it difficult to achieve ideal internal control through the segregation of employee duties. The concentration of closely related duties and responsibilities, such as preparing checks, journals and general financial information by one individual makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability. We realize with a limited number of office employees, segregation of duties is difficult. The board should be aware of this situation and monitor financial information closely.

Audit Adjustments

During the course of our audit, we discovered several misstatements that had a material effect on the Organization's financial statements. A significant portion of the adjustments related to cash to accrual adjustments for accounts receivable and accounts payable. Internal statements are generated on the cash basis. Management and the Board of Directors should be aware that income and expenses on internal statements do not reflect the requirements of generally accepted accounting principles.

Preparation of Financial Statements

The Board of Directors and management share the ultimate responsibility for the Council's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Council engages Clifton Gunderson to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, Clifton Gunderson cannot be considered part the Council's internal control systems. As part of its internal control over the preparation of its financial statements, including disclosures, the Board of Directors reviews the financial statements. The Council's personnel have not monitored recent accounting developments to the extent necessary to enable them to review the financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors are less than material, but more than inconsequential, would be identified and corrected.

This communication is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Gunderson LLP

Indianapolis, Indiana
December 19, 2008