



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B46089

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 7, 2016

Board of Directors
The Indiana Plan for Equal Employment, Inc.
3530 S. Rural Street
Indianapolis, IN 46237

We have reviewed the audit report prepared by Kemper CPA Group, LLP, for the period July 1, 2014 to June 30, 2015. 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 Plan for Equal Employment, Inc., as of June 30, 2015, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
INDIANAPOLIS, INDIANA**

FINANCIAL STATEMENTS

June 30, 2015

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Indiana Plan for Equal Employment, Inc.
Indianapolis, Indiana

We have audited the accompanying financial statements of The Indiana Plan for Equal Employment, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Indiana Plan for Equal Employment, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Kemper CPA Group LLP
Certified Public Accountants and Consultants
Greenfield, Indiana

October 5, 2015

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Current Assets	
Cash	<u>\$ 677,646</u>
Total Current Assets	<u>677,646</u>
Fixed Assets	
Property and equipment	32,871
Leasehold improvements	1,700
Accumulated depreciation	<u>(28,895)</u>
Net Fixed Assets	<u>5,676</u>
TOTAL ASSETS	<u><u>\$ 683,322</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	<u>\$ 5,695</u>
Total Liabilities	<u>5,695</u>
Total Net Assets	<u>677,627</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 683,322</u></u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

REVENUE AND SUPPORT	
Department of Workforce Development	\$ 550,000
Other grants	115,000
Membership revenue	71,750
Camp support	59,625
Other income	805
	797,180
TOTAL REVENUE AND SUPPORT	
EXPENSES	
Program Expenses:	
Recruitment	640,606
	640,606
TOTAL PROGRAM EXPENSES	
Supporting Services:	
Management and general	23,416
	23,416
TOTAL SUPPORTING SERVICES	
	664,022
TOTAL EXPENSES	
	133,158
NET INCREASE IN NET ASSETS	
Net Assets at Beginning of Year	544,469
NET ASSETS AT END OF YEAR	\$ 677,627

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		Total
	Recruitment Programs	Total Program Services	Mgmt and General	Total Supporting Services	
Expenses:					
Insurance	\$ 2,867	\$ 2,867	\$ -	\$ -	\$ 2,867
Payroll	337,225	337,225	8,624	8,624	345,849
Payroll taxes	31,145	31,145	1,054	1,054	32,199
Donation	-	-	100	100	100
Employee benefits	119,396	119,396	2,019	2,019	121,415
Advertising	8,915	8,915	-	-	8,915
Other expenses	24,719	24,719	-	-	24,719
Professional fees	13,519	13,519	3,095	3,095	16,614
Rent	23,569	23,569	2,331	2,331	25,900
Office expenses	18,970	18,970	2,360	2,360	21,330
Telephone	9,692	9,692	959	959	10,651
Services, materials and tools	26,691	26,691	-	-	26,691
Office equipment lease	8,544	8,544	-	-	8,544
Vehicle expense	11,645	11,645	2,688	2,688	14,333
Camp expenses	(800)	(800)	-	-	(800)
Depreciation	2,629	2,629	-	-	2,629
Miscellaneous	1,880	1,880	186	186	2,066
Total Expenses	<u>\$ 640,606</u>	<u>\$ 640,606</u>	<u>\$ 23,416</u>	<u>\$ 23,416</u>	<u>\$ 664,022</u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING ACTIVITIES	
Increase in net assets	\$ 133,158
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,629
Increase in liabilities:	
Accounts payable and other accrued liabilities	<u>1,430</u>
Net Cash Provided by Operating Activities	<u>137,217</u>
INVESTING ACTIVITIES	
Purchase of equipment and leasehold improvements	<u>(1,958)</u>
Net Cash Used In Investing Activities	<u>(1,958)</u>
NET INCREASE IN CASH	135,259
Cash at Beginning of Year	<u>542,387</u>
Cash at End of Year	<u><u>\$ 677,646</u></u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Summary of Significant Accounting Policies:

Organization and Nature of Operations

The Indiana Plan For Equal Employment, Inc. (the Organization) was incorporated as a nonprofit organization in June 1970 under the laws of the State of Indiana. The Organization seeks to recruit women and minorities to enter construction apprenticeship programs to encourage gainful employment.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, whereby income is recognized when earned and costs and expenses are recognized when the obligations are incurred.

Financial Statement Presentation

The Organization follows the recommendations of Financial Accounting Standards Board in its FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

Economic Dependency

The Organization receives a substantial amount of its funding from the Indiana Department of Workforce Development. If this funding were to cease, it may impair the Organization's ability to operate at its current level.

Revenue Recognition

Unrestricted membership dues and contributions are recorded as revenue upon receipt. Municipal and state grants are recognized as earned under independent contractor agreements.

Fixed Assets

Fixed assets are recorded at cost and depreciated using the straight-line method over the estimated useful life, which ranges from 3 to 15 years for software, furniture and equipment, and leasehold improvements. When fixed assets are disposed of, cost and accumulated depreciation are removed from the accounts. Expenditures for maintenance and repairs are recorded as expense when incurred. For the year ended June 30, 2015 depreciation expense was \$2,629.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been expensed on a functional basis. FASB ASC 958-720 requires that certain indirect costs are allocated among the programs and supporting services benefited.

Concentration of Credit Risk

The Organization provides a variety of services to support and enhance the opportunity for women and minorities to earn gainful employment through construction apprenticeship programs. These services are subject to risk in the future based upon securing the necessary grants and community support.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued):

Concentration of Credit Risk (Continued)

The Organization maintains their cash balances in four bank deposit accounts with one financial institution. These deposits are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At June 30, 2015, the Organization's uninsured cash balance totaled \$439,956.

Advertising

The Organization's policy is to expense advertising costs as incurred.

Income Taxes

The Organization is organized as a nonprofit corporation and has obtained exemption from Federal income taxes and partial exemption from Indiana income taxes under Section 501(c)(3), of the Internal Revenue Code.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. On an annual basis, management reviews their judgments regarding uncertain tax positions. As circumstances change, income reflects any adjustments to deferred tax assets or liabilities for uncertain tax positions. The Organization recognizes interest expense and penalties associated with tax positions in the statement of activities. Management is not aware of any material uncertain tax positions that would give rise to unrecognized tax benefits, interest expense, and penalties.

The Organization files tax exempt income tax returns in the U.S. federal jurisdiction and various state jurisdictions. With a few exceptions, the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before 2011.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Date of Management's Review

Subsequent events were evaluated through October 5, 2015, which is the date the financial statements were available to be issued.

Note 2 – Lease Commitments:

The Organization leases various office spaces on a month to month basis. The Organization also leases office equipment pursuant to operating leases, with monthly payments of \$408 and quarterly payments of \$626.

Rental expense related to all office space leases was \$25,900, and all office equipment and postage meter leases totaled \$8,544 for the year ended June 30, 2015. The schedule of future minimum rental payments is as follows:

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 2 – Lease Commitments (Continued):

07/01/15 to 06/30/16	\$ 7,398
07/01/16 to 06/30/17	5,103
07/01/17 to 06/30/18	1,951
07/01/18 to 06/30/19	970
07/01/19 to 06/30/20	<u>161</u>
	<u>\$15,583</u>

Note 3 – Pension Plan:

The Organization currently participates in a defined benefit pension plan covering two employees whose employment are covered under a collective bargaining agreement. The Organization expenses amounts paid in accordance with that agreement. The risks of participating in this multi-employer plan is different from single-employer plans, in that assets contributed are pooled and may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. If the Organization chooses to stop participating in the multi-employer plan, the Organization could be required to pay the plan a withdrawal liability based on the underfunded status of the plan. Management has no plans to terminate operation that would subject the Organization to any material liabilities.

The following represents information about the Organization’s multi-employer pension plan as of and for the year ended June 30, 2015:

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Pension Zone Status 2015	FJP/RP Status Pending/ Implemented	Entity Contributions 2015	Surcharge Imposed	Expiration Date Collective Bargaining Agreement
Iron Workers Local Union #395	36-6488227 # 001	Green	No	\$33,361	No	May 30, 2018
Indiana Electrical Workers Local Union #481	35-1102579 #001	Yellow	Yes	<u>27,535</u>	No	May 31, 2016
Total contributions				<u>\$60,896</u>		

Note 4 – Retirement Plan:

The Organization sponsors a 403(b) retirement plan covering substantially all full-time, non-collective bargaining employees. The plan is funded by employee contributions. Effective January 1, 2015, the Organization elected to make contributions to the plan after one year of employment. From one year through three years of employment, the Organization contribution will be \$250 per month. From three years to five years of employment, the Organization contribution will be \$500 per month. After five years of employment, the Organization contribution will be at the discretion of the Board of Directors.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5 – Related Party Transactions:

Top Notch

The Organization paid Top Notch for two event sponsorships. The Organization's ex-officio, non-voting secretary/treasurer is the Executive Director of this company. For the year ended June 30, 2015, the Organization paid \$2,500 in sponsorships.

M2 Performance Strategies

The Organization paid M2 Performance Strategies for consulting and staff development training. The Organization's ex-officio, non-voting secretary/treasurer is the Principal of this company. For the year ended June 30, 2015, the Organization paid \$12,000 in services.

Indianapolis Electrical Joint Apprenticeship and Training Committee

The Organization paid Indianapolis Electrical Joint Apprenticeship and Training Committee for safety and staff development training. The Organization's co-chair of the board is the training director of this organization. For the year ended June 30, 2015, the Organization paid \$1,440 in services.

Indiana/Kentucky/Ohio Regional Council of Carpenters

The Organization paid the Indiana/Kentucky/Ohio Regional Council of Carpenters for health insurance of non-union employees. One of the Organization's board members is a business agent of this organization. For the year ended June 30, 2015, the Organization paid \$24,300 in health insurance premiums.

Carpenters Local Union No. 301

The Organization paid Carpenters Local Union No. 301 for office space rent at its Indianapolis location. One of the Organization's board members is a business agent of the Indiana/Kentucky/Ohio Regional Council of Carpenters. The Carpenters Local Union No. 301 is a member of this organization. For the year ended June 30, 2015, the Organization paid \$12,000 in office rent.