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February 5, 2018

Board of Directors  
Indiana Construction Roundtable Foundation  
8909 Purdue Road, Suite 130  
Indianapolis, IN 46268

We have reviewed the report prepared by Indiana Construction Roundtable Foundation and opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Indiana Construction Roundtable Foundation as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPAs, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

  
Paul D. Joyce, CPA  
State Examiner

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INDIANA CONSTRUCTION  
ROUNDTABLE FOUNDATION

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2016

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GREENWALT<sup>CPAs</sup>

We Deliver Peace of Mind

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Indiana Construction Roundtable Foundation:

We have audited the accompanying financial statements of Indiana Construction Roundtable Foundation (ICRF), which comprise the statements of financial position as of December 31, 2016 and June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the six months ended December 31, 2016, 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.

### Auditors' 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. 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 auditors' 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 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 ICRF as of December 31, 2016 and June 30, 2016 and the changes in its net assets and cash flows for the six months ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

### Related Party Relationship

Indiana Construction Roundtable, Inc. is the sole member of ICRF and as such, has the power to appoint or remove members of the ICRF Board of Directors, among other powers. See Note 1.

*Greenwalt CPAs, Inc.*

May 10, 2017

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND JUNE 30, 2016

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ASSETS

	December 31, <u>2016</u>	June 30, <u>2016</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 197,924	\$ 164,786
Grant receivable	485,000	-
Accounts receivable	<u>1,000</u>	<u>-</u>
<i>Total current assets</i>	<u>\$ 683,924</u>	<u>\$ 164,786</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	<u>\$ 159,225</u>	<u>\$ 94,830</u>
<b>NET ASSETS</b>		
Unrestricted	39,699	69,956
Temporarily restricted	<u>485,000</u>	<u>-</u>
<i>Total net assets</i>	<u>524,699</u>	<u>69,956</u>
<i>Total liabilities and net assets</i>	<u>\$ 683,924</u>	<u>\$ 164,786</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION  
 STATEMENT OF ACTIVITIES  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2016

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUE</b>			
Grant	\$ 485,000	\$ 485,000	\$ 970,000
Donations	<u>47,039</u>	<u>-</u>	<u>47,039</u>
<i>Total revenues</i>	<u>532,039</u>	<u>485,000</u>	<u>1,017,039</u>
<b>EXPENSES</b>			
Program	484,920	-	484,920
Management and general	49,701	-	49,701
Fundraising	<u>27,675</u>	<u>-</u>	<u>27,675</u>
<i>Total expenses</i>	<u>562,296</u>	<u>-</u>	<u>562,296</u>
<b>CHANGE IN NET ASSETS</b>	(30,257)	485,000	454,743
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>69,956</u>	<u>-</u>	<u>69,956</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><u>\$ 39,699</u></u>	<u><u>\$ 485,000</u></u>	<u><u>\$ 524,699</u></u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2016

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	MANAGEMENT AND			
	PROGRAM	GENERAL	FUNDRAISING	TOTAL
Launch creative	\$ -	\$ 114	\$ -	\$ 114
Management fee	63,489	7,054	-	70,543
Overhead and office	66,755	7,417	-	74,172
Insurance	-	1,077	-	1,077
Meals and entertainment	-	504	-	504
Postage and delivery	16,787	-	-	16,787
Printing fees	2,135	-	-	2,135
Travel and lodging	-	3,975	-	3,975
Professional fees	-	29,439	-	29,439
Bank service charge	-	121	-	121
Governmental Affairs	-	-	21,254	21,254
Media	282,285	-	-	282,285
Sponsorship	-	-	6,421	6,421
Conference booth and attendance	47,974	-	-	47,974
Foundation events	5,495	-	-	5,495
	<u>5,495</u>	<u>-</u>	<u>-</u>	<u>5,495</u>
<i>Total functional expenses</i>	<u>\$ 484,920</u>	<u>\$ 49,701</u>	<u>\$ 27,675</u>	<u>\$ 562,296</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016

Page 1 of 2

CHANGE IN CASH

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from grant	\$ 531,039
Cash paid to vendors	<u>(497,901)</u>
<i>Net cash provided by operating activities</i>	<u>33,138</u>
<b>CHANGE IN CASH</b>	33,138
<b>CASH, BEGINNING OF PERIOD</b>	<u>164,786</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 197,924</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

CHANGE IN NET ASSETS	<u>\$ 454,743</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
<i>Decrease (increase) in operating assets:</i>	
Accounts receivable	(1,000)
Grant receivable	(485,000)
Increase in operating liabilities:	
Accounts payable	<u>64,395</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 33,138</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

The Indiana Construction Roundtable Foundation (ICRF) is a 501(c)(3), non-profit association, created to focus on the workforce shortage that is troubling the Indiana construction industry. The ICRF addresses the workforce shortage head on with their core program, Build Your Future Indiana. The purpose of Build Your Future Indiana is to market the opportunities within the construction industry, and to attract new talent to the industry. The Build Your Future Indiana campaign consists of a multimedia strategy and connecting with schools to meet the future workforce where they are. The goal is to make careers in construction accessible and attractive to the next generation of Hoosier workers. ICRF's main source of revenue is a grant from the State of Indiana.

RELATED PARTY

The Indiana Construction Roundtable (ICR), an Indiana non-profit corporation, is the sole member of ICRF. As ICRF's sole member, ICR has significant control over ICRF, including:

- appointment or removal of members of the board of directors
- approval of changes to ICRF formation documents
- approval of long-range financial plans
- approval of transactions that significantly impact ICRF's assets
- approval of the management contract

Subsequent to year end, ICR recommended its membership and the ICRF became independent of ICR.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONTRIBUTIONS

Contributions are recognized when a donor makes an unconditional promise to give and are recorded at their fair values as revenues and assets in the period promised. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

TAX STATUS

ICRF is exempt from income taxes under Internal Revenue Service Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue code. ICRF observes a December 31 year-end for tax purposes.

ICRF was formed during fiscal year 2015 with a June 30 financial statement year end. In December 2016, ICRF changed its financial statement year end from June 30 to December 31.

EXPENSE ALLOCATION

Expenses have been classified as program, management and general and fundraising based on the actual direct expenditures and cost allocation of indirect expenses based on estimates of the benefits received by each function.

NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Presentation of Financial Statements of Not-For-Profit Organizations. These standards require the Organization to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to net asset class.

ICRF utilizes the following class of net assets:

Unrestricted

Unrestricted net assets include revenue and expenses from the regular operations of ICRF, which are at the discretion of management and the Board of Directors.

Temporarily Restricted

These include assets of ICRF related to contributions and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. When a donor restriction expires, that is, when a stipulated time-restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets of \$485,000 at December 31, 2016 relate to a grant payment to be received in the next fiscal year.

ADVERTISING

ICRF incurred \$282,285 in advertising costs for the period ended December 31, 2016. These costs were expensed as incurred.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 10, 2017, which is the date the financial statements were available to be issued. See Note 1 related party and Note 2.

2. **STATE GRANT AUTHORIZED BY THE INDIANA GENERAL ASSEMBLY**

In 2016, ICRF received a \$970,000 grant from the State of Indiana for the period September 30, 2016 through June 30, 2017 to conduct a two-fold campaign to reach out to students aged 13-20 and teach them, and their influencers, about the good paying jobs that are available in the construction industry.

2. **STATE GRANT AUTHORIZED BY THE INDIANA GENERAL ASSEMBLY, CONTINUED**

Students are reached in two ways – through mass media that includes television commercials, online advertising, and digital micro targeting and also through a grass roots program that includes flagship events, multi-school career fairs, and with classroom or lunchroom speakers.

Since its inception, ICRF successfully launched a state-wide ambassador program, featuring over 100 industry professionals covering a wide range of construction careers, who are actively meeting with students in their classrooms across the state. ICRF has also provided materials representing the construction industry to 1,080 schools across Indiana. ICRF has reached more than 40,000 students through in school meetings, tradeshow, job fairs, and education based events and has gained support from the Indiana Department of Education, Indiana Department of Labor, Federal Department of Labor, Labor of Apprenticeships, Indiana State Chamber, Indianapolis Chamber, Indiana Department of Economic Development, Indiana Subcontractors Association, and many other industry groups.

Subsequent to year end, the Indiana State Legislature passed a budget to fund ICRF at the same level for two more years.

3. **FOUNDATION MANAGEMENT EXPENSE**

ICRF has contracted with Mattison Corporation, an Association Management Company, to provide Executive leadership and administrative support.

4. **CONCENTRATION OF SUPPORT**

A significant portion of the ICRF total support and revenue is derived from a grant from the state of Indiana which represents 95.4% of ICRF's total revenue.