



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B50264

STATE BOARD OF ACCOUNTS
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June 12, 2018

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

We have reviewed the report prepared by The Indiana Plan for Equal Employment, Inc. and opined upon by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of The Indiana Plan for Equal Employment, Inc. as of June 30, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kemper CPA Group, LLP 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
Paul D. Joyce, CPA
State Examiner

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

FINANCIAL STATEMENTS

June 30, 2017

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, 2017, 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.

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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, 2017, 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

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

January 19, 2018

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Current Assets	
Cash	\$ 712,711
Prepaid expenses	700
Grant receivable	<u>3,957</u>
Total Current Assets	<u>717,368</u>
Fixed Assets	
Property and equipment	34,864
Leasehold improvements	1,700
Accumulated depreciation	<u>(32,679)</u>
Net Fixed Assets	<u>3,885</u>
TOTAL ASSETS	<u><u>\$ 721,253</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 2,592
Accrued pension contribution	3,671
Deferred grant revenue	<u>42,857</u>
Total Liabilities	<u>49,120</u>
 Total Net Assets	 <u>672,133</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 721,253</u></u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

REVENUE AND SUPPORT	
Department of Workforce Development	\$ 407,582
Other grants	50,893
Membership revenue	61,750
Camp support	49,978
Other income	153
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TOTAL REVENUE AND SUPPORT	570,356
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EXPENSES	
Program Expenses:	
Recruitment	563,770
	<hr/>
TOTAL PROGRAM EXPENSES	563,770
Supporting Services:	
Management and general	23,200
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TOTAL SUPPORTING SERVICES	23,200
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TOTAL EXPENSES	586,970
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NET DECREASE IN NET ASSETS	(16,614)
Net Assets at Beginning of Year as Previously Reported	726,247
Prior Period Adjustment	(37,500)
	<hr/>
NET ASSETS AT END OF YEAR	<u>\$ 672,133</u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		<u>Total</u>
	<u>Recruitment Programs</u>	<u>Total Program Services</u>	<u>Mgmt and General</u>	<u>Total Supporting Services</u>	
Expenses:					
Payroll	\$ 285,287	\$ 285,287	\$ 5,822	\$ 5,822	\$ 291,109
Payroll taxes	25,899	25,899	801	801	26,700
Employee benefits	95,587	95,587	1,951	1,951	97,538
Advertising	13,417	13,417	-	-	13,417
Other expenses	11,887	11,887	-	-	11,887
Professional fees	30,958	30,958	7,262	7,262	38,220
Rent	25,480	25,480	2,520	2,520	28,000
Office expenses	17,464	17,464	2,159	2,159	19,623
Telephone	6,304	6,304	624	624	6,928
Services, materials and tools	31,662	31,662	-	-	31,662
Office equipment lease	7,944	7,944	-	-	7,944
Vehicle expense	7,882	7,882	1,849	1,849	9,731
Depreciation	1,852	1,852	-	-	1,852
Miscellaneous	2,147	2,147	212	212	2,359
Total Expenses	\$ 563,770	\$ 563,770	\$ 23,200	\$ 23,200	\$ 586,970

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

OPERATING ACTIVITIES	
Decrease in net assets	\$ (16,614)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	1,852
Decrease in assets:	
Prepaid expenses	1,200
Accounts receivable	4,970
Grant receivable	2,293
Increase (Decrease) in liabilities:	
Accounts payable	1,085
Accrued pension contribution	(23,230)
Deferred grant revenue	42,857
	14,413
Net Cash Provided by Operating Activities	14,413
 NET INCREASE IN CASH	 14,413
Cash at Beginning of Year	698,298
Cash at End of Year	\$ 712,711

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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 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.

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.

Accounts Receivable

Accounts receivable are cost reimbursements invoiced when costs are incurred. Unpaid accounts receivable bear no interest. The carrying amounts of accounts receivable are based on management's best estimate of the amounts that will be collectible. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and estimates the portion of, if any, the balance that will not be collectible. As of June 30, 2017, no amounts were considered uncollectible.

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, 2017 depreciation expense was \$1,852.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been expensed on a functional basis in the Statement of Functional Expenses. Accordingly, certain 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 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, 2017, the Organization's uninsured cash balance totaled \$471,222.

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.

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment or disclosure to the financial statements to comply with the provisions of the accounting guidance for income taxes.

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 2013.

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 January 19, 2018, which is the date the financial statements were available to be issued.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

Note 2 – Summary of Grants/Contracts Funding

Funding Source	Grant Number	Grant Contract Period	Total Grant	Recognized Support
Department of Workforce Development	17300	7/1/16 - 6/30/17	\$ 400,000	\$ 400,000
Department of Workforce Development	19415	3/1/17 - 3/31/18	\$ 50,000	\$ 7,582
BCRC	N/A	1/1/16 – 12/31/16	\$ 75,000	\$ 43,750
Strada Education Network	N/A	5/1/17 – 6/29/18	\$ 50,000	\$ 7,143
				\$ 458,475

Note 3 – Lease Commitments

The Organization leases one office on a month to month basis and one office under a three year lease. The Organization also leases office equipment pursuant to operating leases, with monthly payments of \$480 and quarterly payments of \$562.

Rental expense related to all office space leases was \$28,000, and all office equipment and postage meter leases totaled \$7,944 for the year ended June 30, 2017. The schedule of future minimum rental payments is as follows:

07/01/17 to 06/30/18	\$ 32,004
07/01/18 to 06/30/19	31,443
07/01/19 to 06/30/20	18,950
07/01/20 to 06/30/21	4,788
07/01/21 to 06/30/22	<u>1,995</u>
	<u>\$ 89,180</u>

Note 4 – Pension Plan

The Organization currently participates in a defined benefit pension plan covering one employee whose employment is 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 INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

Note 4 – Pension Plan(Continued)

The following represents information about the Organization’s multi-employer pension plan as of and for the year ended June 30, 2017:

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Pension Protection Act Pension Zone Status 2017</u>	<u>FIP/RP Status Pending/ Implemented</u>	<u>Entity Contributions 2017</u>	<u>Surcharge Imposed</u>	<u>Collective Bargaining Agreement Expiration Date</u>
Indiana Electrical Workers Local Union #481	35-1102579 #001	Yellow	Yes	27,377	No	May 31, 2018
Area 406 Cement Masons Local Union #692	01543 #001	-	Yes	<u>6,863</u>	No	May 31, 2017
Total contributions				\$34,240		

Note 5 – 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. The Organization contribution will be \$250 per month for employees with one to three years of employment. For employees with three 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.

Note 6 – Related Party Transactions

Top Notch

The Organization paid Top Notch for two event sponsorships. One of the Organization’s ex-officio, non-voting members is the Executive Director of this company. For the year ended June 30, 2017, the Organization paid \$2,500 in sponsorships.

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 Co-chairs of the board is a business agent of this organization. For the year ended June 30, 2017, the Organization paid \$45,100 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, 2017, the Organization paid \$8,400 in office rent.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Note 6 – Related Party Transactions(Continued)

Urban League of Northwest Indiana

The Organization paid Urban League of Northwest Indiana for office space rent at its Gary location, for repairs and maintenance fees, and for one event sponsorship. One of the Organization's board members is a business agent of the Urban League of Northwest Indiana. For the year ended June 30, 2017, the Organization paid \$7,000 in office rent and \$2,500 for sponsorship.

Note 7 – Prior Period Adjustment

A prior period adjustment was made during the current year as a result of improper recognition of revenue in a previous year. An adjustment of \$37,500 was made to net assets as of the beginning of the year to properly recognize the revenue in a previous year.