



STATE OF INDIANA
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July 9, 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, 2017 to December 31, 2017. 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, 2017 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
Paul D. Joyce, CPA
State Examiner

INDIANA CONSTRUCTION
ROUNDTABLE FOUNDATION

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2017

GREENWALT^{CPAs}

We Deliver Peace of Mind



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, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the year ended December 31, 2017, 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 audits 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, 2017 and 2016 and the changes in its net assets and its cash flows for the year ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Greenwalt CPAs, Inc.

May 15, 2018

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 209,578	\$ 197,924
Grant receivable	485,000	485,000
Accounts receivable	<u>-</u>	<u>1,000</u>
<i>Total current assets</i>	<u>\$ 694,578</u>	<u>\$ 683,924</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	<u>\$ 41,122</u>	<u>\$ 159,225</u>
NET ASSETS		
Unrestricted	168,456	39,699
Temporarily restricted	<u>485,000</u>	<u>485,000</u>
<i>Total net assets</i>	<u>653,456</u>	<u>524,699</u>
<i>Total liabilities and net assets</i>	<u>\$ 694,578</u>	<u>\$ 683,924</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE			
Grant	\$ 485,000	\$ 485,000	\$ 970,000
Donations	500	-	500
Event revenue	9,798	-	9,798
	<u>495,298</u>	<u>485,000</u>	<u>980,298</u>
<i>Total revenues</i>			
	<u>495,298</u>	<u>485,000</u>	<u>980,298</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>485,000</u>	<u>(485,000)</u>	<u>-</u>
EXPENSES			
Program	697,960	-	697,960
Management and general	112,694	-	112,694
Fundraising	40,887	-	40,887
	<u>851,541</u>	<u>-</u>	<u>851,541</u>
<i>Total expenses</i>			
	<u>851,541</u>	<u>-</u>	<u>851,541</u>
CHANGE IN NET ASSETS	128,757	-	128,757
NET ASSETS, BEGINNING OF YEAR	<u>39,699</u>	<u>485,000</u>	<u>524,699</u>
NET ASSETS, END OF YEAR	<u>\$ 168,456</u>	<u>\$ 485,000</u>	<u>\$ 653,456</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM	MANAGEMENT AND		
		GENERAL	FUNDRAISING	TOTAL
Launch creative	\$ 3,690	\$ -	\$ -	\$ 3,690
Management fee	131,431	14,603	-	146,034
Overhead and office	134,524	14,947	-	149,471
Franchise fee	40,000	-	-	40,000
Insurance	-	2,238	-	2,238
Meals and entertainment	-	710	-	710
Postage and delivery	3,323	-	-	3,323
Printing fees	1,888	-	-	1,888
Travel and lodging	-	4,713	-	4,713
Professional fees	-	74,198	-	74,198
Bad debt	-	1,000	-	1,000
Bank service charge	-	285	-	285
Governmental affairs	-	-	40,487	40,487
Media	269,038	-	-	269,038
Sponsorship	-	-	400	400
Conference booth and attendance	94,038	-	-	94,038
Foundation events	20,028	-	-	20,028
	<u>20,028</u>	<u>-</u>	<u>-</u>	<u>20,028</u>
<i>Total functional expenses</i>	<u>\$ 697,960</u>	<u>\$ 112,694</u>	<u>\$ 40,887</u>	<u>\$ 851,541</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

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CHANGE IN CASH

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from funders, donors and events	\$ 981,298
Cash paid to vendors	<u>(969,644)</u>
<i>Net cash provided by operating activities</i>	<u>11,654</u>
CHANGE IN CASH	11,654
CASH, BEGINNING OF YEAR	<u>197,924</u>
CASH, END OF YEAR	<u><u>\$ 209,578</u></u>

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

CHANGE IN NET ASSETS	<u>\$ 128,757</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
<i>Decrease in operating assets:</i>	
Accounts receivable	1,000
<i>Decrease in operating liabilities:</i>	
Accounts payable	<u>(118,103)</u>
<i>Total adjustments</i>	<u>(117,103)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 11,654</u></u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

The Indiana Construction Roundtable Foundation (ICRF) is a 501(c)(3), not-for-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 connects 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

Since the inception of ICRF in 2015, the Indiana Construction Roundtable (ICR), an Indiana non-profit corporation, was the sole member of ICRF. As ICRF's sole member, ICR had 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

During 2017, the board of directors for ICR voted and approved the removal of its membership. As a result, 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 accounting principles generally accepted in the United States of America, 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.

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.

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 ICRF 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 classes 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, 2017 and 2016 relate to a grant payment to be received in the next fiscal year.

ADVERTISING

ICRF incurred \$269,038 in advertising costs for 2017. These costs were expensed as incurred.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 15, 2018, which is the date the financial statements were available to be issued.

2. STATE GRANT AUTHORIZED BY THE INDIANA GENERAL ASSEMBLY

In 2017, ICRF was awarded funding from the State of Indiana for the period July 1, 2017 through June 30, 2019 to receive \$970,000 grant per fiscal year 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.

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 residential, commercial and road construction, and whom 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 70,000 students through in school meetings, tradeshows, 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 Builders Association, Indiana Constructors, Inc., Indiana Subcontractors Association, and many other industry groups.

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 98.9% of ICRF's total revenue for 2017.