



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B57485

STATE BOARD OF ACCOUNTS
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October 21, 2021

Board of Directors
The Indiana Plan for Equal Employment, Inc.
2122 Dr. Martin Luther King St.
Indianapolis, IN 46202

We have reviewed the audit report of The Indiana Plan for Equal Employment, Inc., which was opined upon by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' 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, 2019 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 the audit report in accordance with the guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

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

FINANCIAL STATEMENTS

June 30, 2019

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

To the 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, 2019, 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, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Kemper CPA Group, LLP". The signature is written in a cursive, flowing style.

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

January 29, 2020

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current Assets	
Cash	<u>\$ 463,870</u>
Total Current Assets	<u>463,870</u>
Fixed Assets	
Property and equipment	48,705
Leasehold improvements	51,118
Accumulated depreciation	<u>(37,344)</u>
Net Fixed Assets	<u>62,479</u>
TOTAL ASSETS	<u><u>\$ 526,349</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	<u>\$ 13,055</u>
Total Current Liabilities	<u>13,055</u>
Total Liabilities	<u>13,055</u>
Total Net Assets, Without Donor Restrictions	<u>513,294</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 526,349</u></u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	
Department of Workforce Development	\$ 418,904
Membership revenue	51,500
Camp support	42,728
Other income	23,827
	536,959
TOTAL REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	
EXPENSES	
Program Expenses:	
Recruitment	635,753
	635,753
TOTAL PROGRAM EXPENSES	
Supporting Services:	
Management and general	24,834
	24,834
TOTAL SUPPORTING SERVICES	
	24,834
TOTAL EXPENSES	
	660,587
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
	(123,628)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	
	636,922
NET ASSETS WIHTOUT DONOR RESTRICTIONS, END OF YEAR	
	\$ 513,294

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<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:					
Insurance	\$ 2,721	\$ 2,721	\$ -	\$ -	\$ 2,721
Payroll	302,722	302,722	6,178	6,178	308,900
Payroll taxes	26,961	26,961	834	834	27,795
Employee benefits	144,121	144,121	2,941	2,941	147,062
Advertising	8,012	8,012	-	-	8,012
Travel	17,797	17,797	-	-	17,797
Professional fees	24,950	24,950	5,852	5,852	30,802
Rent	34,944	34,944	3,456	3,456	38,400
Office expenses	19,316	19,316	2,387	2,387	21,703
Telephone	6,835	6,835	676	676	7,511
Materials and tools	21,678	21,678	-	-	21,678
Office equipment lease	8,377	8,377	-	-	8,377
Vehicle expense	8,327	8,327	1,953	1,953	10,280
Depreciation	3,365	3,365	-	-	3,365
Miscellaneous	5,627	5,627	557	557	6,184
	<u>5,627</u>	<u>5,627</u>	<u>557</u>	<u>557</u>	<u>6,184</u>
Total Expenses	<u>\$ 635,753</u>	<u>\$ 635,753</u>	<u>\$ 24,834</u>	<u>\$ 24,834</u>	<u>\$ 660,587</u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING ACTIVITIES	
Change in net assets	\$ (123,628)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	3,365
Change in assets and liabilities:	
Decrease in accounts receivable	3,268
Decrease in accounts payable	<u>(1,579)</u>
Net Cash Used by Operating Activities	<u>(118,574)</u>
INVESTING ACTIVITIES	
Capital expenditures	<u>(15,056)</u>
Net Cash Used In Investing Activities	<u>(15,056)</u>
NET DECREASE IN CASH	(133,630)
Cash at Beginning of Year	<u>597,500</u>
Cash at End of Year	<u><u>\$ 463,870</u></u>

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restriction: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

The Organization has no net assets with donor restrictions.

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, 2019, 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.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

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 39 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, 2019 depreciation expense was \$3,365.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been 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, 2019, the Organization's uninsured cash balance totaled \$219,811.

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 2015.

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.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Date of Management’s Review

Subsequent events were evaluated through January 29, 2020, which is the date the financial statements were available to be issued.

Note 2 – Liquidity

The Organization’s financial assets as of June 30, 2019 were \$463,870 and they are available to meet general expenditures over the next twelve months.

Note 3 – Summary of Grants/Contracts Funding

Funding Source	Grant Number	Grant Contract Period	Total Grant	Recognized Support
Department of Workforce Development	17300	7/1/18 - 6/30/19	\$ 400,000	\$ 400,000
Department of Workforce Development	19415	3/1/17 - 9/30/20	\$ 50,000	18,904
				\$ 418,904

Note 4 – Lease Commitments

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

Rental expense related to all office space leases was \$38,400, and all office equipment and postage meter leases totaled \$8,377 for the year ended June 30, 2019. The schedule of future minimum rental payments is as follows:

07/01/19 to 06/30/20	\$ 34,950
07/01/20 to 06/30/21	19,788
07/01/21 to 06/30/22	1,995
07/01/22 to 06/30/23	0
07/01/23 to 06/30/24	0
	\$ 56,733

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 5 – Pension Plan

The Organization currently participates in defined benefit pension plans covering two employees whose employment is covered under collective bargaining agreements. The Organization expenses amounts paid in accordance with those agreements. The risk of participating in the multi-employer plans 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 either 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 plans as of and for the year ended June 30, 2019:

<u>Pension Fund</u>	<u>EIN/ Pension Plan Number</u>	<u>Pension Protection Act Pension Zone Status 2019</u>	<u>FIP/RP Status Pending/ Implemented</u>	<u>Entity Contributions 2019</u>	<u>Surcharge Imposed</u>	<u>Collective Bargaining Agreement Expiration Date</u>
Indiana Electrical Workers Local Union #481	35-1102579 #001	Green	Yes	29,905	No	May 31, 2020
Indiana Electrical Professionals Local Union #697	#001	-	Yes	<u>33,334</u>	No	May 31, 2020
Total contributions				<u>\$63,239</u>		

Note 6 – 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.

THE INDIANA PLAN FOR EQUAL EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 7 – Related Party Transactions

Top Notch

The Organization paid Top Notch for one event sponsorship. One of the Organization's ex-officio, non-voting members is the Executive Director of this company. For the year ended June 30, 2019, the Organization paid \$1,750 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, 2019, the Organization paid \$39,600 in health insurance premiums.

Urban League of Northwest Indiana

The Organization paid Urban League of Northwest Indiana for office space rent at its Gary location and for one event sponsorship. One of the Organization's board members is President and CEO of the Urban League of Northwest Indiana. For the year ended June 30, 2019, the Organization paid \$8,400 in office rent and \$2,500 for sponsorship.