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October 22, 2021

Board of Directors
Indianapolis Private Industry Council, Inc.
d/b/a EmployIndy
115 W. Washington St.
Indianapolis, IN 46204

We have reviewed the audit report of Indianapolis Private Industry Council, Inc. d/b/a EmployIndy, which was opined upon by Crowe, LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Indianapolis Private Industry Council, Inc. d/b/a EmployIndy as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe, 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
Paul D. Joyce, CPA
State Examiner

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
D/B/A EMPLOYINDY
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2020 and 2019

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL D/B/A EMPLOYINDY
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Indianapolis Private Industry Council d/b/a EmployIndy (EmployIndy), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 organization'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 organization'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.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EmployIndy as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, EmployIndy has adopted ASU 2014-09 – *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08 – *Not-for Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* for the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of state and local governmental awards are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of EmployIndy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EmployIndy's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
September 28, 2021

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash	\$ 5,779,649	\$ 4,404,752
Grant reimbursements receivable	923,856	2,497,511
Prepaid expenses	304,615	78,190
Property and equipment, net	<u>161,448</u>	<u>164,978</u>
Total assets	<u>\$ 7,169,568</u>	<u>\$ 7,145,431</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 1,226,051	\$ 1,588,362
Accrued expenses	258,509	174,737
Deferred revenue – Power Train	1,609	346,141
Other deferred revenue	<u>326,996</u>	<u>252,562</u>
Total liabilities	<u>1,813,165</u>	<u>2,361,802</u>
Net Assets		
Without donor restrictions	510,858	771,608
With donor restrictions	<u>4,845,545</u>	<u>4,012,021</u>
Total net assets	<u>5,356,403</u>	<u>4,783,629</u>
Total liabilities and net assets	<u>\$ 7,169,568</u>	<u>\$ 7,145,431</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF ACTIVITIES
Years ended June 30, 2020 and 2019

	-----2020-----			-----2019-----		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support						
Contributions	\$ 560	\$ 3,361,594	\$ 3,362,154	\$ -	\$ 207,238	\$ 207,238
Government grants – federal	8,765,819	-	8,765,819	8,586,667	-	8,586,667
Grants – other	2,799,578	-	2,799,578	5,300,858	-	5,300,858
Miscellaneous income	192,856	-	192,856	15,125	-	15,125
Net assets released from restrictions	<u>2,528,070</u>	<u>(2,528,070)</u>	<u>-</u>	<u>849,631</u>	<u>(849,631)</u>	<u>-</u>
Total revenues, gains, and other support	<u>14,286,883</u>	<u>833,524</u>	<u>15,120,407</u>	<u>14,752,281</u>	<u>(642,393)</u>	<u>14,109,888</u>
Expenses						
Program services	12,550,746	-	12,550,746	12,427,971	-	12,427,971
Fund raising	350,827	-	350,827	289,829	-	289,829
Management and general	<u>1,646,060</u>	<u>-</u>	<u>1,646,060</u>	<u>1,588,179</u>	<u>-</u>	<u>1,588,179</u>
Total expenses	<u>14,547,633</u>	<u>-</u>	<u>14,547,633</u>	<u>14,305,979</u>	<u>-</u>	<u>14,305,979</u>
Change in Net Assets	(260,750)	833,524	572,774	446,302	(642,393)	(196,091)
Net Assets, Beginning of Year	<u>771,608</u>	<u>4,012,021</u>	<u>4,783,629</u>	<u>325,306</u>	<u>4,654,414</u>	<u>4,979,720</u>
Net Assets, End of Year	<u>\$ 510,858</u>	<u>\$ 4,845,545</u>	<u>\$ 5,356,403</u>	<u>\$ 771,608</u>	<u>\$ 4,012,021</u>	<u>\$ 4,783,629</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
STATEMENTS OF CASH FLOWS
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 572,774	\$ (196,091)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	48,303	40,125
Changes in:		
Grant reimbursements receivable	1,573,655	(465,725)
Prepaid expenses	(226,425)	(12,590)
Accounts payable, accrued expenses and other liabilities	(278,539)	22,530
Deferred revenue	<u>(270,098)</u>	<u>364,241</u>
Net cash from operating activities	1,419,670	(247,510)
Cash flows from investing activities		
Purchases of equipment	<u>(44,773)</u>	<u>(197,885)</u>
Net cash from investing activities	<u>(44,773)</u>	<u>(197,885)</u>
Net change in cash	1,374,897	(445,395)
Cash at beginning of year	<u>4,404,752</u>	<u>4,850,147</u>
Cash at end of year	<u>\$ 5,779,649</u>	<u>\$ 4,404,752</u>

See accompanying notes to financial statements.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Indianapolis Private Industry Council d/b/a EmployIndy (“EmployIndy”), the Workforce Development Board (WDB) for Marion County, was incorporated as a not-for-profit organization on June 23, 1983, under the laws of the State of Indiana.

The WDB within each Workforce Service Area (WSA) is responsible for providing policy guidance for, and exercising oversight with respect to, activities under its job training plan in partnership with local units of government. The WDB is also responsible for selecting the WSA’s service providers for allocated Workforce Innovation and Opportunity Act (WIOA) funds from the Indiana Department of Workforce Development. EmployIndy is designated as the fiscal agent for the Marion County WSA by the local elected officials and therefore receives funds directly from the State of Indiana’s Department of Workforce Development under the federal WIOA. These funds represent EmployIndy’s core funding source and are directly allocated to EmployIndy. Although EmployIndy’s primary funding source is WIOA, EmployIndy actively competes for other federal, state and private grants.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash: EmployIndy’s deposit accounts exceeded federally insured limits at June 30, 2020 and 2019 by approximately \$5,530,000 and \$4,155,000, respectively.

Property and Equipment: Expenditures for property, equipment, and items that substantially increase the useful lives of existing assets are capitalized at cost. EmployIndy provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	<u>Years</u>
Furnishings and equipment	3-10

EmployIndy capitalizes all equipment purchases acquired under government grants if it is probable that EmployIndy will ultimately receive title to the assets. Title to the equipment acquired under government grants is held by the granting agency while used in the program for which it was purchased or other future authorized programs. The disposition of this equipment, as well as the right to a proportionate share of any proceeds therefrom, is subject to funding source regulations.

Impairment of Long-Lived Assets: On an ongoing basis, EmployIndy reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. EmployIndy recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related assets. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment loss has been recognized during the years ended June 30, 2020 and 2019.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Deferred Revenue: Revenues received for services provided, in advance of being earned, are deferred and recognized over the periods in which the services are performed, and revenues are earned.

EmployIndy has a grant agreement with the City of Indianapolis to fund the workforce training program. EmployIndy often receives these funds in advance of services. For the year ended June 30, 2020, \$344,532 was expended and \$1,609 remained as deferred revenue. For the year ended June 30, 2019, \$309,188 was expended and \$346,141 remained as deferred revenue.

The following table represents activities for the Power Train deferred revenue balance for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 346,141	\$ 36,953
Net cash received in advance of performance obligations being met	-	346,141
Deferred revenue recognized during the year	<u>(344,532)</u>	<u>(36,953)</u>
Ending balance	<u>\$ 1,609</u>	<u>\$ 346,141</u>

EmployIndy often receives other grant funds in advance of services. The following table represents activities for other deferred revenue for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 252,562	\$ 197,509
Net cash received in advance of performance obligations being met	297,381	252,562
Deferred revenue recognized during the year	<u>(222,947)</u>	<u>(197,509)</u>
Ending balance	<u>\$ 326,996</u>	<u>\$ 252,562</u>

Net Asset Classifications: The financial statements have been prepared in accordance with GAAP. This requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as without donor restrictions or with donor restrictions.

The following classes of net assets are maintained:

Net Assets Without Donor Restrictions – The net assets without donor restrictions class includes general assets and liabilities of EmployIndy. The net assets without donor restrictions of the entity may be used at the discretion of management to support EmployIndy’s purposes and operations.

Net Assets With Donor Restrictions - This net asset class includes assets of EmployIndy whose use has been limited by donors to a specific period of time or purpose. Amounts are released from restriction when used for satisfaction of the donors’ restrictions or the passage of the specific period of time. Releases during the years ended June 30, 2020 and 2019 totaled \$2,528,070 and \$849,631, respectively.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The net assets with donor restrictions class also includes assets of EmployIndy related to contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of EmployIndy. EmployIndy had no net assets of this nature as of June 30, 2020 and 2019.

Contributions: Private gifts and grants, including pledges, are recognized in the period the gift is made. Conditional gifts are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction.

Government Grants: Government grants and contracts for services are generally subject to restrictions and conditions that must be met before EmployIndy is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. Support funded by grants is recognized as EmployIndy performs the contracted services under grant agreements. Grant expenditures are subject to audit and acceptance by the granting agency. As a result of such audit, adjustments could be required.

Income Taxes: EmployIndy is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

GAAP requires EmployIndy to recognize a tax liability only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded. EmployIndy has examined this issue and has determined there are no material contingent tax liabilities or questionable tax positions.

EmployIndy does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. EmployIndy recognizes interest and/or penalties related to income tax matters in income tax expense. EmployIndy did not have any amounts accrued for interest and penalties at June 30, 2020 or 2019.

Functional Allocation of Expenses: EmployIndy reports expenditures that can be specifically identified with a particular program objective to the appropriate funding source and cost category. EmployIndy's indirect and other pooled expenses are allocated monthly to the various projects or grants based on a cost allocation plan accepted by its oversight agency, which includes allocating certain expenditures based on full-time employees and the percent of time charged to various projects by these employees.

Recently Adopted Accounting Guidance: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU supersedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

to which the entity expects to be entitled in exchange for those goods or services. EmployIndy implemented this guidance for the year ended June 30, 2020 but was not materially impacted by the ASU and as a result, no cumulative effect adjustment was recorded upon adoption.

In June 2018, the FASB issued ASU 2018-08 - *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this Update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. EmployIndy applied the amendments in this ASU for the year ended June 30, 2020. EmployIndy implemented ASU 2018-08 using a modified retrospective method of application. There were no changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

Recent Events: In December 2019, a novel strain of coronavirus surfaced and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The nature of EmployIndy's revenue streams has not been negatively impacted and management believes it is unlikely to be impacted in the near future. However, due to future economic uncertainties surrounding the coronavirus, such as other variants, significant estimates as disclosed in Note 1, may be materially adversely impacted by national, state and local events designed to contain the coronavirus.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2020, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2020. Management has performed their analysis through September 28, 2021, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

EmployIndy's property and equipment is as follows:

	<u>2020</u>	<u>2019</u>
Furnishings and equipment	\$ 255,285	\$ 210,512
Accumulated depreciation and amortization	<u>(93,837)</u>	<u>(45,534)</u>
	<u>\$ 161,448</u>	<u>\$ 164,978</u>

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 3 - LEASES

EmployIndy leases office space and various items of equipment under operating lease arrangements. These leases expire at various dates through March 2029. Rental expense for these leases included in the statements of activities for the years ended June 30, 2020 and 2019 was \$536,130 and \$276,664, respectively.

Minimum annual rental payments required under the operating leases, which have remaining terms in excess of one year as of June 30, 2020, are as follows:

2021	\$ 443,734
2022	452,402
2023	453,878
2024	457,594
2025	466,602
Thereafter	<u>880,570</u>
	<u>\$ 3,154,779</u>

NOTE 4 - NET ASSETS

Net assets with donor restrictions at June 30 are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Workforce Innovations	\$ 121,123	\$ 121,123
Youth Employment Services	4,689,042	3,877,668
Hire Up Indy	12,421	12,514
Jobs for America's Graduates	716	716
Indy Achieves	<u>22,243</u>	<u>-</u>
	<u>\$ 4,845,545</u>	<u>\$ 4,012,021</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished:		
Workforce Innovations	\$ -	\$ 11,380
Youth Employment Services	2,525,220	805,817
Hire Up Indy	93	-
Crime Prevention	-	32,238
Jobs for America's Graduates	-	196
Indy Achieves	<u>2,757</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 2,528,070</u>	<u>\$ 849,631</u>

NOTE 5 - EMPLOYEE BENEFITS

EmployIndy maintains a 401(k) plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. EmployIndy's contribution consists of a contribution of 7% of eligible compensation that amounted to \$378,482 and \$101,116 for 2020 and 2019, respectively.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 6 - RELATED PARTY TRANSACTIONS

One voting WDB member of EmployIndy, who also serves on the Youth Council, is employed by a contractor of services for EmployIndy. Payments to this contractor for the years ended June 30, 2020 and 2019 were \$743,675 and \$321,070, respectively.

NOTE 7 - CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Revenue: For the years ended June 30, 2020 and 2019, revenue from federal funding sources represented approximately 58% and 61%, respectively, of EmployIndy's total revenue. For the years ended June 30, 2020 and 2019, revenue from contributions represented approximately 22% and 1%, respectively, of EmployIndy's total revenue.

Contributions: Approximately 95% and 84% of all contributions were received from one donor in 2020 and 2019, respectively.

NOTE 8 - LIQUIDITY AND AVAILABILITY

EmployIndy's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 5,779,649	\$ 4,404,752
Grants receivable	<u>923,856</u>	<u>2,497,511</u>
Total financial assets	6,703,505	6,902,263
Less amounts not available to be used within one year:		
Net assets subject to donor restriction	<u>4,845,545</u>	<u>4,012,021</u>
Total financial assets not available to be used within one year	<u>4,845,545</u>	<u>4,012,021</u>
Financial assets expected to be available to meet general expenditures within one year	<u>\$ 1,857,960</u>	<u>\$ 2,890,242</u>

As part of EmployIndy's liquidity management, EmployIndy invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 9 - FUNCTIONAL EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of EmployIndy. Program Activities include adult and dislocated worker career services, youth services, and business partnership services. The table below presents these functional expenses by their natural classification for the year ended June 30, 2020 with comparative totals shown for 2019.

	<u>Program Services</u>				Fund Raising	Management & General	2020 Total	2019 Total
	Adult & Dislocated Worker Career Services	Youth Services	Business Partnership Services	Total				
Salaries	520,257	730,818	651,370	1,902,445	225,876	802,356	2,930,677	2,845,547
Employee benefits	85,554	148,131	117,672	351,357	49,737	257,002	658,096	546,616
Payroll taxes	36,278	96,196	81,787	214,261	31,480	154,404	400,145	400,145
Total salaries and benefits	642,089	975,145	850,829	2,468,063	307,093	1,213,762	3,988,918	3,792,308
Professional fees and contract services	2,707,576	3,362,141	177,975	6,247,692	-	161,482	6,409,174	6,333,871
Program expenses and operating supplies	116,008	141,378	16,406	273,792	1,075	25,177	300,044	300,044
Occupancy	135,313	52,501	65,854	253,668	20,000	33,001	306,669	306,669
Equipment/IT services	188,972	113,355	93,628	395,955	2,981	10,457	409,393	407,393
Printing and publications	26,532	44,993	11,159	82,684	338	63,871	146,893	143,098
Telephone/Internet	42,531	16,359	19,488	78,378	559	15,747	94,684	94,684
Postage and shipping	7,538	25,532	2,252	35,322	-	833	36,155	36,155
Transportation/Travel	9,093	21,528	13,356	43,977	4,751	20,063	68,791	68,791
Conferences and meetings	5,583	34,797	6,964	47,344	3,730	17,780	68,854	68,854
Membership dues	8,532	15,645	21,383	45,560	2,500	18,100	66,160	66,160
Interest expense	-	-	-	-	-	4,898	4,898	3,990
Depreciation	-	-	-	-	-	48,303	48,303	40,125
Miscellaneous	677	1,150	585	2,412	-	12,586	14,998	16,351
Client job training	841,988	640,679	600,000	2,082,667	-	-	2,082,667	2,156,481
Client supportive service	75,088	253,885	-	328,973	-	-	328,973	328,973
Outreach	101,264	26,206	36,789	164,259	7,800	-	172,059	142,032
Total expenses	<u>\$ 4,908,784</u>	<u>\$ 5,725,294</u>	<u>\$ 1,916,668</u>	<u>\$ 12,550,746</u>	<u>\$ 350,827</u>	<u>\$ 1,646,060</u>	<u>\$ 14,547,633</u>	<u>\$ 14,305,979</u>

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTES TO FINANCIAL STATEMENTS
Years ended June 30, 2020 and 2019

NOTE 9 - FUNCTIONAL EXPENSES BY NATURE (Continued)

The table below presents these functional expenses by their natural classification for the year ended June 30, 2019.

	Program Services				Fund Raising	Management & General	2019 Total
	Adult & Dislocated		Business Partnership				
	Worker Career Services	Youth Services	Services	Total			
Salaries	\$ 461,281	\$ 730,818	\$ 661,087	\$ 1,853,186	\$ 200,356	\$ 792,005	\$ 2,845,547
Employee benefits	45,554	148,131	117,672	311,357	14,259	221,000	546,616
Payroll taxes	36,278	96,196	81,787	214,261	31,480	154,404	400,145
Total salaries and benefits	543,113	975,145	860,546	2,378,804	246,095	1,167,409	3,792,308
Professional fees and contract services	2,632,273	3,362,141	177,975	6,172,389	-	161,482	6,333,871
Program expenses and operating supplies	116,008	141,378	16,406	273,792	1,075	25,177	300,044
Occupancy	135,313	52,501	65,854	253,668	20,000	33,001	306,669
Equipment/IT services	186,972	113,355	93,628	393,955	2,981	10,457	407,393
Printing and publications	26,532	44,993	11,159	82,684	338	60,076	143,098
Telephone/Internet	42,531	16,359	19,488	78,378	559	15,747	94,684
Postage and shipping	7,538	25,532	2,252	35,322	-	833	36,155
Transportation/Travel	9,093	21,528	13,356	43,977	4,751	20,063	68,791
Conferences and meetings	5,583	34,797	6,964	47,344	3,730	17,780	68,854
Membership dues	8,532	15,645	21,383	45,560	2,500	18,100	66,160
Interest expense	-	-	-	-	-	3,990	3,990
Depreciation	-	-	-	-	-	40,125	40,125
Miscellaneous	677	1,150	585	2,412	-	13,939	16,351
Client job training	841,988	714,493	600,000	2,156,481	-	-	2,156,481
Client supportive service	75,088	253,885	-	328,973	-	-	328,973
Outreach	101,264	26,206	6,762	134,232	7,800	-	142,032
Total expenses	\$ 4,732,505	\$ 5,799,108	\$ 1,896,358	\$ 12,427,971	\$ 289,829	\$ 1,588,179	\$ 14,305,979

The allocations of certain categories of expenses attributable to more than one program or supporting function are described in Note 1.

SUPPLEMENTARY INFORMATION

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant or Identifying Number	Expenditures
<u>Department of Labor</u>			
<i>Pass-through programs:</i>			
State of Indiana, Department of Workforce Development			
Workforce Innovation and Opportunity			
Act (WIOA) Cluster			
WIOA - Adult	17.258	AA-28315-16-55-A-18	\$ 2,827,139
WIOA – Youth Activities	17.259	AA-28315-16-55-A-18	1,427,092
WIOA – Dislocated Worker Formula Grants	17.278	AA-28315-16-55-A-18	1,887,859
WIOA – LMS	17.258	18510373	123,373
Business Solutions	17.278	18510359	<u>120,000</u>
Total WIOA Cluster			6,385,463
Unemployment Insurance State Administration	17.225	UI-31516-18-60-A-18 and UI-32838-19-60-A-18	746,803
Apprenticeship USA Expansion and Innovation Grants	17.285	AP-30077-16-60-A-18	(10,986)
PARTNER4WORK			
WIOA National Dislocated Worker Grant	17.277	DW-32582-18-60-A-42	<u>572,788</u>
Total Pass-through Department of Labor			<u>7,694,068</u>
Total Department of Labor			7,694,068
<u>Department of Health and Human Services</u>			
<i>Pass-through programs:</i>			
Indiana Department of Workforce Development			
Temporary Assistance for Needy Families	93.558	18535746	340,203
<u>Department of Housing and Urban Development</u>			
<i>Pass-through programs:</i>			
City of Indianapolis			
Community Development Block Grant (CDBG)			
Total CDBG Cluster	14.218	13000031873	<u>550,000</u> 550,000
<u>Department of Education</u>			
<i>Pass-through programs:</i>			
Indiana Department of Workforce Development			
State Vocational Rehabilitation Services Program	84.126A	H126A200019	<u>156,854</u>
Total Expenditures of Federal Awards			<u>\$ 8,741,125</u>

See Note to Schedule of Expenditures of Federal Awards.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2020

EmployIndy provided federal awards to subrecipients as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
<u>Department of Labor</u>		
<i>Pass-through programs:</i>		
State of Indiana, Department of Workforce Development Workforce Innovation and Opportunity Act (WIOA) Cluster		
WIOA - Adult	17.258	\$ 728,495
WIOA – Youth Activities	17.259	417,751
WIOA – LMS	17.258	69,420
WIOA – Dislocated Worker Formula Grant	17.278	<u>837,863</u>
Total WIOA Cluster		2,053,529
Unemployment Insurance State Administration	17.225	<u>294,286</u>
PARTNER4WORK		
WIOA National Dislocated Worker Grant	17.277	<u>402,186</u>
Total Pass-through Department of Labor		<u>2,750,001</u>
Total Department of Labor		2,750,001
<u>Department of Health and Human Services</u>		
<i>Pass-through programs:</i>		
Indiana Department of Workforce Development Temporary Assistance for Needy Families	93.558	339,822
<u>Department of Housing and Urban Development</u>		
<i>Pass-through programs:</i>		
City of Indianapolis Community Development Block Grant	14.218	500,000
<u>Department of Education</u>		
<i>Pass-through programs:</i>		
Indiana Department of Workforce Development State Vocational Rehabilitation Services Program	84.126A	<u>156,854</u>
Total expenditures of federal awards to subrecipients		<u>\$ 3,746,677</u>

See Note to Schedule of Expenditures of Federal Awards.

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of EmployIndy under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EmployIndy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of EmployIndy.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, in the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. EmployIndy has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indianapolis Private Industry Council d/b/a EmployIndy (EmployIndy), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered EmployIndy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EmployIndy's internal control. Accordingly, we do not express an opinion on the effectiveness of EmployIndy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EmployIndy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
September 28, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Indianapolis Private Industry Council d/b/a EmployIndy
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited Indianapolis Private Industry Council's d/b/a EmployIndy (EmployIndy) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of EmployIndy's major federal programs for the year ended June 30, 2020. EmployIndy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of EmployIndy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EmployIndy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of EmployIndy's compliance.

Opinion on Each Major Federal Program

In our opinion, EmployIndy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of EmployIndy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered EmployIndy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of EmployIndy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
September 28, 2021

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258	<i>WIOA Cluster:</i> WIOA Adult
17.259	WIOA Youth
17.278	WIOA Dislocated Worker Formula Grant
17.278	Business Solutions
17.258	WIOA LMS

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None Reported

INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
d/b/a EMPLOYINDY
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL GOVERNMENTAL AWARDS
June 30, 2020

<u>Pass-through/Program Title</u>	<u>Amount</u>
<u>Indiana Department of Workforce Development</u>	
Justice Assistance Grant - JAG	\$ 968,537
IFA	116,612
Jobs for Hoosiers	15,819
WorkINdiana	<u>13,087</u>
	<u>1,114,055</u>
 <u>City of Indianapolis – Department of Metropolitan Development</u>	
City Violence Prevention	45,126
Pattern 89	19,248
Zylo	12,188
Bond Bank	116,671
Salesforce TIF	1,587
Indy Achieves	1,510,854
Carrier	189,488
Comm for Higher Ed	4,159
Springbuk	<u>271</u>
	<u>1,899,592</u>
 Total state and local governmental expenditures	 <u>\$ 3,013,647</u>

The State Board of Accounts set forth guidelines that requires entities to show a Schedule of Expenditures of Federal Awards and a Schedule of Expenditures of State and Local Governmental Awards. The schedule above shows EmployIndy's expenditures of governmental awards that were received from state and local departments for the year ended June 30, 2020.

**See schedule of expenditures of federal awards on page 14 for federal grant activity.