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March 30, 2022

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

We have received the audit report of Indiana Construction Roundtable Foundation which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Indiana Construction Roundtable Foundation as of December 31, 2019 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 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

INDIANA CONSTRUCTION
ROUNDTABLE FOUNDATION

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2019

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, 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.

Auditors' 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 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, 2019 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.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2018 financial statements and we expressed an unmodified opinion on those financial statements in our report dated March 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwald CPAs, Inc.

July 15, 2020

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 126,704	\$ 177,314
Grants and contracts receivable	<u>561,328</u>	<u>485,000</u>
<i>Total current assets</i>	<u>\$ 688,032</u>	<u>\$ 662,314</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 132,004	\$ 72,386
NET ASSETS		
Without donor restrictions	69,050	99,928
With donor restrictions	<u>486,978</u>	<u>490,000</u>
<i>Total net assets</i>	<u>556,028</u>	<u>589,928</u>
<i>Total liabilities and net assets</i>	<u>\$ 688,032</u>	<u>\$ 662,314</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTED</u>	<u>2019 TOTAL</u>	<u>2018</u>
REVENUE				
Grant	\$ 486,978	\$ 486,978	\$ 973,956	\$ 970,000
BY training revenue	390,900	-	390,900	-
Donations	4,000	-	4,000	7,500
Event revenue	3,000	-	3,000	170
	<u>884,878</u>	<u>486,978</u>	<u>1,371,856</u>	<u>977,670</u>
<i>Total revenues</i>				
	<u>884,878</u>	<u>486,978</u>	<u>1,371,856</u>	<u>977,670</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>490,000</u>	<u>(490,000)</u>	<u>-</u>	<u>-</u>
EXPENSES				
Program	1,208,357	-	1,208,357	896,606
Management and general	158,164	-	158,164	112,915
Fundraising	39,235	-	39,235	31,677
	<u>1,405,756</u>	<u>-</u>	<u>1,405,756</u>	<u>1,041,198</u>
<i>Total expenses</i>				
	<u>1,405,756</u>	<u>-</u>	<u>1,405,756</u>	<u>1,041,198</u>
CHANGE IN NET ASSETS	(30,878)	(3,022)	(33,900)	(63,528)
NET ASSETS, BEGINNING OF YEAR	<u>99,928</u>	<u>490,000</u>	<u>589,928</u>	<u>653,456</u>
NET ASSETS, END OF YEAR	<u>\$ 69,050</u>	<u>\$ 486,978</u>	<u>\$ 556,028</u>	<u>\$ 589,928</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Management fee	\$ 395,054	\$ 43,895	\$ -	\$ 438,949
Overhead and office	402,962	44,869	-	447,831
Creative and collaborative	86,014	-	-	86,014
Training	78,724	-	-	78,724
Franchise fee	29,919	-	-	29,919
Insurance	-	5,807	-	5,807
Meals and entertainment	-	1,804	-	1,804
Postage and delivery	2,874	-	-	2,874
Printing fees	4,583	-	-	4,583
Travel and lodging	-	26,265	-	26,265
Professional fees	-	35,524	-	35,524
Governmental affairs	-	-	30,125	30,125
Media	157,556	-	-	157,556
Sponsorship	-	-	9,110	9,110
Conference attendance/collateral	36,225	-	-	36,225
Foundation events	14,446	-	-	14,446
	<u>1,208,357</u>	<u>158,164</u>	<u>39,235</u>	<u>1,405,756</u>
<i>Total functional expenses</i>	<u>\$ 1,208,357</u>	<u>\$ 158,164</u>	<u>\$ 39,235</u>	<u>\$ 1,405,756</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Management fee	\$ 182,450	\$ 20,272	\$ -	\$ 202,722
Overhead and office	186,893	20,766	-	207,659
Creative and collaborative	109,042	-	-	109,042
Training	19,839	-	-	19,839
Franchise fee	21,393	-	-	21,393
Insurance	-	5,827	-	5,827
Meals and entertainment	-	4,562	-	4,562
Postage and delivery	14,310	-	-	14,310
Printing fees	14,799	-	-	14,799
Travel and lodging	-	9,674	-	9,674
Professional fees	-	51,814	-	51,814
Bank service charge	-	-	-	-
Governmental affairs	-	-	20,177	20,177
Media	223,242	-	-	223,242
Sponsorship	-	-	11,500	11,500
Conference attendance/collateral	105,105	-	-	105,105
Foundation events	19,533	-	-	19,533
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total functional expenses</i>	<u>\$ 896,606</u>	<u>\$ 112,915</u>	<u>\$ 31,677</u>	<u>\$ 1,041,198</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

CHANGE IN CASH

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funders, donors and events	\$ 1,295,528	\$ 977,670
Cash paid to vendors	<u>(1,346,138)</u>	<u>(1,009,934)</u>
<i>Net cash used in operating activities</i>	<u>(50,610)</u>	<u>(32,264)</u>
CHANGE IN CASH	(50,610)	(32,264)
CASH, BEGINNING OF YEAR	<u>177,314</u>	<u>209,578</u>
CASH, END OF YEAR	<u><u>\$ 126,704</u></u>	<u><u>\$ 177,314</u></u>

RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH USED IN OPERATING ACTIVITIES

	<u>2019</u>	<u>2018</u>
CHANGE IN NET ASSETS	\$ (33,900)	\$ (63,528)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
<i>Increase in operating assets:</i>		
Grants and contracts receivable	(76,328)	-
<i>Increase in operating liabilities:</i>		
Accounts payable	<u>59,618</u>	<u>31,264</u>
<i>Total adjustments</i>	<u>(16,710)</u>	<u>31,264</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (50,610)</u>	<u>\$ (32,264)</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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. During 2018, ICRF launched the BY Training Program to encourage, inform, and empower individuals to pursue careers within the construction industry. The BY training program will empower people to take the first step towards a productive long-term career in construction. 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.

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 (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 and expenses during the reporting period. Actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the ICRF financial statements for the year ended December 31, 2018, from which the summarized information was derived.

CASH AND CASH EQUIVALENTS

ICRF considers all liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2019 and 2018.

CONTRIBUTIONS AND GRANTS

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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. All grants receivable were due within one year.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CONTRACTS RECEIVABLE

ICRF has grant agreements with governmental agencies and not-for-profit partners in connection with the BY training program. ICRF is reimbursed on a per student or per class rate depending on the contract. All were due within one year.

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:

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 ICRF. These include revenues and expenses which may be used at the discretion of the management and Board of Directors to support the ICRF's purpose and operations.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature for a specific purpose or time period. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted promises to give are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in statements of activities. Net assets with donor restrictions were restricted for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
General operations for the following year	\$ 486,978	\$ 485,000
Work based learning (K-12)	-	5,000
Total	<u>\$ 486,978</u>	<u>\$ 490,000</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ADVERTISING

ICRF incurred \$157,556 and \$223,242 in advertising costs (media) for 2019 and 2018, respectively. These costs were expensed as incurred.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through July 15, 2020, which is the date the financial statements were available to be issued. See Note 6.

NEW ACCOUNTING PRONOUNCEMENTS

The Organization has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of January 1, 2019. The ASU provided clarified guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization applied the update on a modified prospective basis to agreements that were either not completed as of the effective date or entered into as of the effective date. The application of the update had no impact on net assets as of January 1, 2019.

The Organization has adopted ASU 2016-18 *Restricted Cash* during 2019. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The update also requires restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown in the statement of cash flows. The Organization applied the update retrospectively, however, the update had no impact on the presentation of the 2018 statement of cash flows.

The Organization has adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of and for the year ended December 31, 2019. The ASU and all subsequently issued clarifying ASU's replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The update provides companies with a single revenue recognition model for recognizing revenue with customers; specifically requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The provisions of Topic 606 were adopted for the year ended December 31, 2019 utilizing the modified retrospective method. There was no cumulative effect adjustment recorded to the opening balance of net assets as of January 1, 2019 and there was no change in how the Organization currently recognizes and records revenue. The Organization does not expect the adoption of the new revenue standard to have a significant impact to the change in net assets on an ongoing basis.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. LIQUIDITY AND AVAILABILITY

The majority of the ICRF's revenue (71.0% in 2019 and 98.2% in 2018) is derived from a grant from the State of Indiana (See Note 3). ICRF also receives contributions with donor restrictions to be used in accordance with certain purpose restrictions as well as support without donor restrictions including contributions from individuals and other organizations.

ICRF considers grant revenue for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and program expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the ICRF's fiscal year.

The table below presents financial assets available for general expenditures within one year at December 31:

	2019	2018
Financial assets at year end:		
Cash	\$ 126,704	\$ 177,314
Grants and contracts receivable	<u>561,328</u>	<u>485,000</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 688,032</u></u>	<u><u>\$ 662,314</u></u>

ICRF regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, ICRF operates with a balanced budget and anticipates collecting funds from the state to maintain a balanced status through 2020.

ICRF monitors spending through monthly budget performance reports, and ICRF is able to anticipate potential lapses in funding to begin fundraising and applying for grants. ICRF also reviews monthly reports for major expenditures to forecast monthly cashflow status.

3. 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 in the amount of \$970,000 per fiscal year. The purpose of the grant was 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. In 2019, ICRF was awarded additional funding from the State of \$973,955 for July 1, 2019 through June 30, 2021.

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 350 industry professionals covering residential, commercial and road construction, who are actively meeting with students in their classrooms across the state. ICRF has also provided marketing materials representing the construction industry to 1,080 schools across Indiana. ICRF has reached more than 100,000 students through in school meetings, tradeshow, job fairs, and education-based events.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

4. FOUNDATION MANAGEMENT EXPENSE

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

5. 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 71.0% and 98.2% of ICRF's total revenue for 2019 and 2018, respectively.

6. SUBSEQUENT EVENT

In recent days, the COVID-19 pandemic has resulted in a state wide stay at home order. As a result, ICRF has shifted to a remote work environment and is in the process of transitioning to an online platform for the BY Training Program. Economic uncertainties are a consequence of the pandemic which are expected to negatively impact the ICRF's training revenue. The extent of the impact of COVID-19 on ICRF's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on partners, employees and vendors, all of which are uncertain and cannot be predicted.