



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 26, 2023

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

We have reviewed the audit report of Indiana Construction Roundtable Foundation which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. 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, 2021 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 report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

INDIANA CONSTRUCTION
ROUNDTABLE FOUNDATION

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2021

GREENWALT^{CPAs}

We Deliver Peace of Mind



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Indiana Construction Roundtable Foundation:

Opinion

We have audited the accompanying financial statements of Indiana Construction Roundtable Foundation (ICRF) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICRF as of December 31, 2021 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ICRF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ICRF's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with the generally accepted standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ICRF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ICRF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited ICRF's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwald CPAs, Inc.

June 3, 2022

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 437,237	\$ 296,189
Grants and contracts receivable	529,796	469,045
	<hr/>	<hr/>
<i>Total current assets</i>	<u>\$ 967,033</u>	<u>\$ 765,234</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 109,369	\$ 63,121
Accrued expenses	-	20,000
	<hr/>	<hr/>
<i>Total current liabilities</i>	<hr/> 109,369	<hr/> 83,121
NET ASSETS		
Without donor restrictions	432,664	257,113
With donor restrictions	425,000	425,000
	<hr/>	<hr/>
<i>Total net assets</i>	<hr/> 857,664	<hr/> 682,113
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 967,033</u>	<u>\$ 765,234</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2021 TOTAL</u>	<u>2020</u>
REVENUE				
Grants	\$ 664,375	\$ 425,000	\$ 1,089,375	\$ 850,000
BY training revenue	515,613	-	515,613	326,219
Contributions	-	-	-	21,797
	<u>1,179,988</u>	<u>425,000</u>	<u>1,604,988</u>	<u>1,198,016</u>
<i>Total revenues</i>				
	<u>1,179,988</u>	<u>425,000</u>	<u>1,604,988</u>	<u>1,198,016</u>
NET ASSETS RELEASED FROM RESTRICTION				
	<u>425,000</u>	<u>(425,000)</u>	<u>-</u>	<u>-</u>
EXPENSES				
Program	1,361,218	-	1,361,218	915,057
Management and general	168,809	-	168,809	111,774
Fundraising	25,100	-	25,100	45,100
	<u>1,555,127</u>	<u>-</u>	<u>1,555,127</u>	<u>1,071,931</u>
<i>Total expenses</i>				
	<u>1,555,127</u>	<u>-</u>	<u>1,555,127</u>	<u>1,071,931</u>
CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS				
	49,861	-	49,861	126,085
PPP LOAN FORGIVENESS				
	<u>125,690</u>	<u>-</u>	<u>125,690</u>	<u>-</u>
CHANGE IN NET ASSETS				
	175,551	-	175,551	126,085
NET ASSETS, BEGINNING OF YEAR				
	<u>257,113</u>	<u>425,000</u>	<u>682,113</u>	<u>556,028</u>
NET ASSETS, END OF YEAR				
	<u>\$ 432,664</u>	<u>\$ 425,000</u>	<u>\$ 857,664</u>	<u>\$ 682,113</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2021 TOTAL</u>	<u>2020 TOTAL</u>
Management fee	\$ 569,137	\$ 63,237	\$ -	\$ 632,374	\$ 405,666
Overhead and office	572,703	63,770	-	636,473	409,639
Creative and collaborative	50,000	-	-	50,000	50,000
Training	97,097	-	-	97,097	30,114
Franchise fee	20,000	-	-	20,000	30,000
Insurance	-	6,882	-	6,882	5,786
Meals and entertainment	-	1,763	-	1,763	401
Postage and delivery	423	-	-	423	464
Printing fees	10,150	-	-	10,150	1,640
Travel and lodging	-	9,505	-	9,505	6,146
Professional fees	-	15,027	-	15,027	17,831
Governmental affairs	-	-	10,000	10,000	20,000
Media	31,214	-	-	31,214	68,776
Sponsorship	-	-	15,100	15,100	25,100
Conference attendance/collateral	10,494	-	-	10,494	368
Bad debt expense	-	8,625	-	8,625	-
	<u>\$ 1,361,218</u>	<u>\$ 168,809</u>	<u>\$ 25,100</u>	<u>\$ 1,555,127</u>	<u>\$ 1,071,931</u>
<i>Total functional expenses</i>	<u>\$ 1,361,218</u>	<u>\$ 168,809</u>	<u>\$ 25,100</u>	<u>\$ 1,555,127</u>	<u>\$ 1,071,931</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Page 1 of 2

CHANGE IN CASH

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funders, donors and events	\$ 1,544,237	\$ 1,290,299
Cash paid to vendors	<u>(1,528,879)</u>	<u>(1,120,814)</u>
<i>Net cash provided by operating activities</i>	<u>15,358</u>	<u>169,485</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP loan forgiveness	<u>125,690</u>	<u>-</u>
CHANGE IN CASH	141,048	169,485
CASH, BEGINNING OF YEAR	<u>296,189</u>	<u>126,704</u>
CASH, END OF YEAR	<u><u>\$ 437,237</u></u>	<u><u>\$ 296,189</u></u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

STATEMENTS OF CASH FLOWS, CONTINUED

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	<u>2021</u>	<u>2020</u>
CHANGE IN NET ASSETS	\$ 49,861	\$ 126,085
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
<i>Decrease (increase) in operating assets</i>		
Grants and contracts receivable	(60,751)	92,283
<i>(Decrease) increase in operating liabilities</i>		
Accounts payable	46,248	(68,883)
Accrued expenses	<u>(20,000)</u>	<u>20,000</u>
<i>Total adjustments</i>	<u>(34,503)</u>	<u>43,400</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 15,358</u>	<u>\$ 169,485</u>

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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 empowers 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 or functional expense category. 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, 2020, 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, 2021 and 2020. At December 31, 2021 and 2020, ICRF held cash in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits in the amount of approximately \$187,000 and \$46,000, respectively.

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. All grants receivable were due within one year.

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. On a periodic basis, ICRF evaluates its receivables and writes off certain receivables, based on a history of collections and current credit conditions. Management has determined that no allowance is needed at December 31, 2021 and 2020.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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:

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 ICRF. These include revenues and expenses which may be used at the discretion of management and the Board of Directors to support 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. At December 31, 2021 and 2020, net assets with donor restrictions were \$425,000 in each year and were restricted for general operations for the following year.

ADVERTISING

ICRF incurred \$31,214 and \$68,776 in advertising costs (media) for 2021 and 2020, respectively. These costs were expensed as incurred.

PAYCHECK PROTECTION PROGRAM LOAN

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds could be used for costs related to payroll, employee health care, rent, interest, and utilities. ICRF borrowed \$62,845 from a financial institution under the PPP in both March 2021 and May 2021, respectively. ICRF received notice of full forgiveness of these loans from the SBA in December 2021 and November 2021, respectively. These are recorded as income on the statement of activities for the year ended December 31, 2021.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 3, 2022, which is the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The majority of ICRF's revenue (53% in 2021 and 71% in 2020) 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:

	<u>2021</u>	<u>2020</u>
Financial assets at year end		
Cash	\$ 437,237	\$ 296,189
Grants and contracts receivable	<u>529,796</u>	<u>469,045</u>
Financial assets available to meet general expenditures within one year	<u>\$ 967,033</u>	<u>\$ 765,234</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 2021.

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 2019, ICRF was awarded funding from the State of Indiana for the period July 1, 2019 through June 30, 2021 in the amount of \$973,956 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 May 2020, the Governor reduced state funding for the budget year July 1, 2020 through June 30, 2021 due to the impact of COVID-19, therefore, ICRF's state grant reduced to \$850,000.

In 2021, ICRF was awarded additional funding from the State of Indiana in the amount of \$850,000 per fiscal year for the period July 1, 2021 through June 30, 2023.

INDIANA CONSTRUCTION ROUNDTABLE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

3. STATE GRANT AUTHORIZED BY THE INDIANA GENERAL ASSEMBLY, CONTINUED

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 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.

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 ICRF's total support and revenue is derived from a grant from the state of Indiana which represents 53% and 71% of ICRF's total revenue for 2021 and 2020, respectively.

6. RISKS AND UNCERTAINTIES

The extent of the impact of COVID-19 on ICRF's operational and financial performance will depend on certain developments, including the duration and the spread of the outbreak, impact on the state of Indiana, partners, events, vendors, all of which are uncertain and cannot be predicted.