

NPCA EDUCATIONAL FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006



TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT	1
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION	2-3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4-5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-12

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Shareholders of
NPCA Educational Foundation, Inc.:

We have reviewed the accompanying statements of financial position of the NPCA Educational Foundation, Inc. (a non-profit organization) as of December 31, 2007 and 2006, and the related statements of activities and changes in net assets and cash flows for the years then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of NPCA Educational Foundation, Inc.

A review consists principally of inquiries of Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Ent & Imler CPA Group

ENT & IMLER CPA GROUP, P.C.

Indianapolis, Indiana
January 21, 2008

NPCA EDUCATIONAL FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS:		
Cash	\$ 95,795	\$ 42,853
Short-term investments (Note 3)	70,000	214,794
Receivable from affiliate (Note 2)	18,540	19,039
Interest receivable	175	3,579
Prepaid expenses	<u>-</u>	<u>1,665</u>
Total Current Assets	<u>184,510</u>	<u>281,930</u>
LONG-TERM INVESTMENTS (Note 3)	<u>1,063,324</u>	<u>716,978</u>
OTHER ASSETS:		
Pledges receivable (Note 6)	<u>462,732</u>	<u>531,704</u>
	<u>\$ 1,710,566</u>	<u>\$ 1,530,612</u>

See independent accountants' report and accompanying notes to the financial statements.

NPCA EDUCATIONAL FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

(Continued)

DECEMBER 31, 2007 AND 2006

LIABILITIES AND NET ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT LIABILITIES:		
Scholarships payable (Note 4)	\$ 18,233	\$ 23,493
Unearned revenue	<u>-</u>	<u>20,370</u>
Total Current Liabilities	<u>18,233</u>	<u>43,863</u>
NET ASSETS:		
Unrestricted	61,798	6,529
Unrestricted - board designated (Note 7)	75,000	100,000
Temporarily restricted	317,798	256,334
Permanently restricted	<u>1,237,737</u>	<u>1,123,886</u>
Total Net Assets	<u>1,692,333</u>	<u>1,486,749</u>
	<u>\$ 1,710,566</u>	<u>\$ 1,530,612</u>

See independent accountants' report and accompanying notes to the financial statements.

NPCA EDUCATIONAL FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND SUPPORT:				
Contributions and donations	\$ -	\$ -	\$ 113,851	\$ 113,851
Fundraising - MCPX raffle	30,477	-	-	30,477
Fundraising - golf outing	102,795	-	-	102,795
Donated services	18,072	-	-	18,072
Investment income	577	40,171	-	40,748
Realized gain on investments	-	31,054	-	31,054
Unrealized gain on investments	-	3,239	-	3,239
Net Assets Released from Restrictions	13,000	(13,000)	-	-
Total Revenues, Gains and Support	164,921	61,464	113,851	340,236
EXPENSES:				
Program, Fundraising and Supporting Activities:				
Fundraising - golf outing	63,137	-	-	63,137
Scholarships awarded	7,240	-	-	7,240
Administrative expenses (Note 2)	18,226	-	-	18,226
Accounting	3,100	-	-	3,100
Consultants	2,510	-	-	2,510
Sponsorships	35,000	-	-	35,000
Telephone	563	-	-	563
Printing	3,573	-	-	3,573
Postage	815	-	-	815
Bank charges	483	-	-	483
Miscellaneous	5	-	-	5
Total Expenses	134,652	-	-	134,652
CHANGE IN NET ASSETS	30,269	61,464	113,851	205,584
NET ASSETS , beginning of year	106,529	256,334	1,123,886	1,486,749
NET ASSETS , end of year	\$ 136,798	\$ 317,798	\$ 1,237,737	\$ 1,692,333

See independent accountants' report and accompanying notes to the financial statements.

NPCA EDUCATIONAL FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS AND SUPPORT:				
Contributions and donations	\$ 2,400	\$ -	\$ 380,158	\$ 382,558
Fundraising - MCPX raffle	25,349	-	-	25,349
Fundraising - golf outing	41,810	-	-	41,810
Donated services	25,235	-	-	25,235
Investment income	369	24,365	-	24,734
Realized gain on investments	-	20,755	-	20,755
Unrealized gain on investments	-	58,201	-	58,201
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues, Gains and Support	95,163	103,321	380,158	578,642
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENSES:				
Program, Fundraising and Supporting Activities:				
Fundraising - golf outing	21,083	-	-	21,083
Scholarships awarded	15,855	-	-	15,855
Administrative expenses (Note 2)	25,235	-	-	25,235
Accounting	3,770	-	-	3,770
Sponsorships	1,000	-	-	1,000
Telephone	555	-	-	555
Printing	6,086	-	-	6,086
Postage	544	-	-	544
Bank charges	567	-	-	567
Miscellaneous	1,583	-	-	1,583
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	76,278	-	-	76,278
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	18,885	103,321	380,158	502,364
NET ASSETS, beginning of year	87,644	153,013	743,728	984,385
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, end of year	\$ 106,529	\$ 256,334	\$ 1,123,886	\$ 1,486,749
	<hr/>	<hr/>	<hr/>	<hr/>

See independent accountants' report and accompanying notes to the financial statements.

NPCA EDUCATIONAL FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 205,584	\$ 502,364
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(3,239)	(58,201)
Realized gain on investments	(31,054)	(20,755)
(Increase) decrease in:		
Receivable from affiliate	499	(19,039)
Interest receivable	3,404	(3,475)
Prepaid expenses	1,665	1,245
Increase (decrease) in:		
Payable to affiliates	-	(8,793)
Scholarships payable	(5,260)	3,854
Unearned revenue	(20,370)	17,395
	<u>151,229</u>	<u>414,595</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
	<u>151,229</u>	<u>414,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(471,009)	(532,170)
Proceeds from sale of investments	303,750	340,804
	<u>(167,259)</u>	<u>(191,366)</u>
NET CASH USED BY INVESTING ACTIVITIES		
	<u>(167,259)</u>	<u>(191,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Pledges receivable restricted for "Foundation for the Future" campaign	68,972	(201,413)
	<u>68,972</u>	<u>(201,413)</u>
NET CASH USED BY FINANCING ACTIVITIES		
	<u>68,972</u>	<u>(201,413)</u>
NET INCREASE IN CASH	52,942	21,816
CASH, beginning of year	<u>42,853</u>	<u>21,037</u>
CASH, end of year	<u>\$ 95,795</u>	<u>\$ 42,853</u>

See independent accountants' report and accompanying notes to the financial statements.

NPCA EDUCATIONAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The NPCA Educational Foundation, Inc. (the "Foundation") is a non-profit organization organized in the state of Indiana. The Foundation is primarily engaged to establish and grant scholarships and fellowships to deserving and talented graduate and undergraduate college and university students pursuing courses of study in architecture, engineering and any and all other courses of study to which the Foundation wishes to make scholarship awards available; to educate high school students about careers in architecture and engineering; to do any and all activities to support and educate in the fields of architecture and engineering; to establish and conduct educational seminars, conference, programs and lectures for the members of the National Precast Concrete Association; and to receive, administer, distribute, and expend funds, gifts, donations, bequests, contributions and other receipts of money or property of every kind or nature in furtherance of the Foundation's charitable and educational objectives and purposes.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Foundation is required to report information regarding its assets, liabilities, and net assets, and its revenue, expenses, and other changes in net assets according to class. The Foundation utilizes three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Net Assets

The financial statements report amounts separately by class of net assets:

Unrestricted net assets

Unrestricted amounts are those, which are currently available to the Board for use in the Foundation's activities.

Temporarily restricted net assets

Temporarily restricted expendable amounts are those, which are restricted by donors for specific purposes. As of December 31, 2007 and 2006, there were temporarily restricted net assets of \$317,798 and \$256,334, respectively.

Permanently restricted net assets

Permanently restricted amounts are those, which are subject to donor-imposed stipulations that require they be maintained permanently by the Foundation. Generally, the donors of these assets permit the use of all or part of the income earned on the related investments for general or specific purposes. Permanently restricted net assets consist of contributions to the "Foundation for the Future" campaign, and an endowment to fund scholarships. As of December 31, 2007 and 2006, there were permanently restricted net assets of \$1,237,737 and \$1,123,886, respectively.

Allowance for Unconditional Promises to Receive

The Foundation uses the allowance method to account for uncollectible promises to receive. The allowance is based on management's estimate of possible bad debts. At December 31, 2007 and 2006, no allowance was deemed necessary.

Scholarships

All scholarships are shown as a liability and recognized as an expense when the promise is made and are discounted to present value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments, generally with a maturity of three months or less, to be cash equivalents. This does not include certificates of deposit, which have been included in short-term investments.

Accounts Receivable

Accounts receivable represent golf outing income. Normal accounts receivable are due 30 days after the issuance of the invoice. Receivables past due more than 120 days are considered delinquent. Delinquent receivables may be written off based on individual credit evaluation and specific circumstances of the customer. At December 31, 2007 and 2006 no allowance for uncollectible accounts was considered necessary.

Pledges and Bequests Receivable

Pledges and bequests receivable represent promises to give which have been made by donors but have not yet been received by the Foundation. Pledges and bequests which will be received in future years are discounted using an estimated rate of return, which could be earned if such contributions have been made in the current year. Pledges and bequests receivable are considered impaired if full payments are not received in accordance with the contractual terms. The Foundation considers pledges and bequests receivable fully collectible. Accordingly, no allowance for uncollectible accounts has been provided.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Investments

The Foundation follows SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Associations." Under SFAS No. 124, investments in mutual funds with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Federal and state income taxes on unrelated business income, if applicable, are provided at the statutory tax rates.

Management Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is possible that the significant estimates used will change within the next year. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Some expenses relate directly to specific programs or supportive services while others do not. Expenses that relate to more than one program or supporting service are allocated among the applicable functions.

Costs are allocated to the programs, supporting services and fundraising costs. Management periodically evaluates its allocation method and revises it when necessary. General and supporting expenses include those expenses that are indirectly identifiable with other specific functions, but provide for the overall support and direction of the Foundation.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, and short-term investments, due in less than one year: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Long-term investments: The fair values of long-term investments are based on quoted market prices for those investments.

NOTE 2 – RELATED PARTY TRANSACTIONS

The National Precast Concrete Association (the “Association”) provides administrative services at no cost to the Foundation. These administrative services have been recorded as donated services income and administrative expenses. These services are summarized as follows:

	<u>2007</u>	<u>2006</u>
Personnel Costs	\$ 14,065	\$ 15,724
Facility and Equipment Costs	1,372	2,059
Capital Campaign Promotional Costs	<u>2,635</u>	<u>7,452</u>
Total Administrative Costs	<u>\$ 18,072</u>	<u>\$ 25,235</u>

The Association incurred expenses and collected payments on the golf outing and tradeshow for the Foundation during the year. As of December 31, 2007, there was a net accounts receivable balance of \$18,540.

NOTE 3 - INVESTMENTS

Investments are stated at fair value and primarily consist of mutual funds. Fair values at December 31, 2007 and 2006, are summarized as follows:

	<u>2007</u>	<u>2006</u>
<u>Short Term Investments</u>		
Certificate of Deposit		
Scholarships	\$ -	\$ 100,000
Capital Campaign	<u>70,000</u>	<u>114,794</u>
	<u>70,000</u>	<u>214,794</u>
 <u>Long Term Investments</u>		
The Income Fund of America	207,471	177,243
New Perspective Fund	282,150	217,878
American Balanced Fund	208,874	169,574
Capital Campaign - Money market	212,531	31,213
Workforce Development Campaign		
Money market	24,868	20,839
Mutual funds	74,971	60,636
Expanding Education Campaign		
Money market	14,618	3,156
Mutual funds	37,062	35,689
Growing Precast Markets Campaign		
Money market	<u>779</u>	<u>750</u>
	<u>1,063,324</u>	<u>716,978</u>
	<u>\$ 1,133,324</u>	<u>\$ 931,772</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2007;

	<u>2007</u>	<u>2006</u>
Investment income	\$ 40,748	\$ 24,734
Unrealized gain on investments	3,239	58,201
Realized gain on investments	<u>31,054</u>	<u>20,755</u>
Total investment return	<u>\$ 75,041</u>	<u>\$ 103,690</u>

The following schedule summarizes the investments and the earnings of those investments by program:

	<u>Scholarships</u>	<u>Workforce Development</u>	<u>Expanding Education</u>	<u>Growing Precast Markets</u>	<u>Capital Campaign</u>
Money Market Funds	\$ -	\$ 24,868	\$ 14,618	\$ 779	\$ 212,531
Certificate of Deposits	-	-	-	-	70,000
Mutual Funds	698,495	74,971	37,062	-	-

The earnings from the Capital Campaign investments will be utilized for the projects that they were intended for. The Unrestricted Campaign earnings may be used for any project with in the Capital Campaign that the Foundation specifies.

NOTE 4 – SCHOLARSHIPS PAYABLE

Scholarships authorized but unpaid at year-end are reported as liabilities in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Scholarships to be paid in more than one year are required to be discounted to reflect fair value.

	<u>2007</u>	<u>2006</u>
Scholarships payable consists of the following:		
Unconditional promises to give	\$ 19,000	\$ 25,000
Less: unamortized discount	<u>(767)</u>	<u>(1,507)</u>
Net unconditional promises to give	<u>\$ 18,233</u>	<u>\$ 23,493</u>
Amounts due in:		
Less than one year	\$ 10,500	\$ 11,500
One to five years	<u>8,500</u>	<u>13,500</u>
	<u>\$ 19,000</u>	<u>\$ 25,000</u>

Scholarships due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 8%.

NOTE 5 – SCHOLARSHIPS FORFEITURE

In order to retain the scholarships for the full four years, the students need to meet certain deadlines and reporting requirements. Scholarships forfeited were \$500 and \$0 for 2007 and 2006, respectively.

NOTE 6 – “FOUNDATION FOR THE FUTURE” CAMPAIGN

The Foundation has embarked on a 5 year \$3 million campaign to create an endowment that would fund a host of education and technical training initiatives for production personnel, engineering students, specifiers, owners and end users. Pledges to be received in more than one year are required to be discounted to reflect fair value.

	<u>2007</u>	<u>2006</u>
Pledge receivables consists of the following:		
Unconditional promises to give	\$ 492,497	\$ 579,220
Less: unamortized discount	<u>(29,765)</u>	<u>(47,516)</u>
Net unconditional promises to give	<u>\$ 462,732</u>	<u>\$ 531,704</u>
Amounts due in:		
Less than one year	\$ 181,354	\$ 141,556
One to five years	<u>311,143</u>	<u>437,664</u>
	<u>\$ 492,497</u>	<u>\$ 579,220</u>

Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 8%.

NOTE 7 – COMMITMENTS AND BOARD DESIGNATED NET ASSETS

The Foundation has committed to providing the Concrete Industry Management (CIM) program a \$100,000 grant payable over four years. The Foundation board of directors has designated \$100,000 of its net assets to cover this pledge. The Foundation will target colleges with the CIM program seeking scholarship applicants. During 2007, the Foundation made a payment of \$25,000 toward this commitment. There is a remaining board designated balance of \$75,000.