

NPCA EDUCATIONAL FOUNDATION

Financial Statements

TOGETHER WITH ACCOUNTANTS' REVIEW REPORT

December 31, 2008 and 2007

Greenwalt Sponsel & Co., Inc.

We Deliver Peace of Mind

GS&CO Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors

Certified Public Accountants

ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
NPCA Educational Foundation:

We have reviewed the accompanying statement of financial position of NPCA Educational Foundation (the Foundation), and the related statements of activities and cash flows for the year then ended, in accordance with Statements on 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 the Foundation.

A review consists principally of inquiries of organization 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, 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 review, 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.

The 2007 financial statements of the Foundation were reviewed by other accountants, whose report dated January 21, 2008, stated that they were not aware of any material modifications that should be made to those statements in order for them to be in conformity with generally accepted accounting principles.

January 29, 2009

Greenwalt Sponsel & Co., Inc.

NPCA EDUCATIONAL FOUNDATION*Statements of Financial Position**December 31, 2008 and 2007*

	<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
Current Assets			
Cash and cash equivalents		\$ 82,052	\$ 95,795
Short-term investments (Note 2)		356,590	70,000
Current portion of pledges receivable (Note 3)		175,247	181,354
Receivable from affiliate (Note 6)		12,798	18,540
Interest receivable		753	175
Prepaid expenses		3,006	-
		<hr/>	<hr/>
<i>Total current assets</i>		630,446	365,864
Pledges Receivable (Note 3)		206,385	281,378
Long-Term Investments (Note 2)		637,040	1,063,324
		<hr/>	<hr/>
<i>Total assets</i>		<u>\$ 1,473,871</u>	<u>\$ 1,710,566</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
Current Liabilities			
Scholarships and grants payable (Note 4)		\$ 65,887	\$ 18,233
Unearned revenue		8,250	-
		<hr/>	<hr/>
<i>Total current liabilities</i>		74,137	18,233
		<hr/>	<hr/>
Commitment (Note 7)			
Net Assets			
Unrestricted		185,467	86,798
Unrestricted - board designated		-	75,000
Temporarily restricted		29,590	392,798
Permanently restricted		1,184,677	1,137,737
		<hr/>	<hr/>
<i>Total net assets</i>		1,399,734	1,692,333
		<hr/>	<hr/>
<i>Total liabilities and net assets</i>		<u>\$ 1,473,871</u>	<u>\$ 1,710,566</u>

NPCA EDUCATIONAL FOUNDATION

Statement of Activities

For the Year Ended December 31, 2008

With Comparative Totals for 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenues, Gains and Support					
Contributions and donations	\$ 151	\$ -	\$ 46,940	\$ 47,091	113,851
Fundraising-MCPX raffle	19,397	-	-	19,397	30,477
Fundraising-golf outing	28,800	-	-	28,800	102,795
Donated services	14,955	-	-	14,955	18,072
Investment income	437	32,443	-	32,880	40,748
Realized gain on investments	-	12,482	-	12,482	31,054
Unrealized gain (loss) on investments	-	(312,200)	-	(312,200)	3,239
Net assets released from restrictions	95,933	(95,933)	-	-	-
<i>Total revenues, gains and support</i>	<u>159,673</u>	<u>(363,208)</u>	<u>46,940</u>	<u>(156,595)</u>	<u>340,236</u>
Expenses					
Program, Fundraising and Supporting Activities:					
Fundraising-golf outing	18,503	-	-	18,503	63,137
Meeting expenses	723	-	-	723	-
Scholarships awarded	10,517	-	-	10,517	7,240
Administrative expenses	14,955	-	-	14,955	18,226
Accounting	3,700	-	-	3,700	3,100
Legal	-	-	-	-	2,510
Grants	83,070	-	-	83,070	35,000
Telephone	667	-	-	667	563
Supplies	73	-	-	73	-
Printing	1,840	-	-	1,840	3,573
Postage	1,088	-	-	1,088	815
Bank/service charges	99	-	-	99	483
Miscellaneous	769	-	-	769	5
<i>Total expenses</i>	<u>136,004</u>	<u>-</u>	<u>-</u>	<u>136,004</u>	<u>134,652</u>
Change in Net Assets	23,669	(363,208)	46,940	(292,599)	205,584
Net Assets, Beginning of Year (Note 8)	<u>161,798</u>	<u>392,798</u>	<u>1,137,737</u>	<u>1,692,333</u>	<u>1,486,749</u>
Net Assets, End of Year	<u>\$ 185,467</u>	<u>\$ 29,590</u>	<u>\$ 1,184,677</u>	<u>\$ 1,399,734</u>	<u>1,692,333</u>

NPCA EDUCATIONAL FOUNDATION*Statements of Cash Flows**For the Years Ended December 31, 2008 and 2007**Page 1 of 2***INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities		
Cash received from contributions and fundraising	\$ 109,280	\$ 227,252
Cash paid to grantees, suppliers and employers	(76,401)	(120,175)
Investment income	32,302	44,152
	<u>65,181</u>	<u>151,229</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
	<u>65,181</u>	<u>151,229</u>
Cash Flows from Investing Activities		
Purchase of investments	(919,237)	(471,009)
Proceeds on sale of investments	759,213	303,750
	<u>(160,024)</u>	<u>(167,259)</u>
<i>Net cash and cash equivalents used in investing activities</i>		
	<u>(160,024)</u>	<u>(167,259)</u>
Cash Flows from Financing Activities		
Pledges receivable restricted for "Foundation for the Future" campaign	81,100	68,972
	<u>81,100</u>	<u>68,972</u>
<i>Net cash and cash equivalents provided by investing activities</i>		
	<u>81,100</u>	<u>68,972</u>
Change in Cash and Cash Equivalents	(13,743)	52,942
Cash and Cash Equivalents, Beginning of Year	<u>95,795</u>	<u>42,853</u>
Cash and Cash Equivalents, End of Year	<u>\$ 82,052</u>	<u>\$ 95,795</u>

NPCA EDUCATIONAL FOUNDATION*Statements of Cash Flows, Continued**For the Years Ended December 31, 2008 and 2007**Page 2 of 2***RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

	<u>2008</u>	<u>2007</u>
Change in Net Assets	<u>\$ (292,599)</u>	<u>\$ 205,584</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Unrealized (gain) loss on investments	312,200	(3,239)
Realized gain on investments	(12,482)	(31,054)
<i>(Increase) decrease in operating assets:</i>		
Receivable from affiliate	5,742	499
Interest receivable	(578)	3,404
Prepaid expenses	(3,006)	1,665
<i>Increase (decrease) in operating liabilities:</i>		
Scholarships and grants payable	47,654	(5,260)
Unearned revenue	8,250	(20,370)
<i>Total adjustments</i>	<u>357,780</u>	<u>(54,355)</u>
Net Cash Provided by Operating Activities	<u>\$ 65,181</u>	<u>\$ 151,229</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The National Precast Concrete Association (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, conferences, 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 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 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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Foundation has adopted Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence or nature of any donor restrictions.

Financial statement presentation follows the recommendations of the Statements of 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.

Cash and Cash Equivalents

For purposes of the statements 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.

Contributions and Pledges Receivable

Contributions are recognized when the donor makes an unconditional promise to give to the Foundation and are recorded at their fair values as revenues and assets in the period received. Contributions restricted for the "Foundation for the Future" campaign are reported as increases in permanently restricted net assets and held in perpetuity as part of the endowment. All other donor-restricted contributions are reported as increases in temporarily restricted net assets or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Foundation. Pledges which will be received in the future years are discounted using an estimated rate of return, which could be earned if such contributions had been made in the current year. Pledges receivable are considered impaired if full payments will not be received in accordance with the contractual terms. The Foundation considers pledges receivable fully collectible. Accordingly, no allowance for uncollectible accounts has been recorded. Subsequent to year end, the Foundation was informed that the outstanding balance of CTT's pledge of \$90,000 would not be honored by Hawkeye/Pedershaab.

Investments

The Foundation follows Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held By Not-for-Profit Organizations*. 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.

Net Assets

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

Unrestricted

These include revenue and expenses from the regular operations, the uses of which are at the discretion of management and the Board of Directors.

Temporarily Restricted

Temporarily restricted expendable amounts are those which are restricted by donors for specific purposes. As of December 31, 2008 and 2007, there were temporarily restricted net assets of \$29,590 and \$392,798, respectively.

Permanently Restricted

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, 2008 and 2007, there were permanently restricted net assets of \$1,284,677 and \$1,137,737, respectively.

Scholarships

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

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Functional Allocation of Expenses

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. Functional expenses for the years ended December 31 were:

	<u>2008</u>	<u>2007</u>
Program	\$ 93,517	\$ 42,240
Supporting services	23,984	29,275
Fundraising	<u>18,503</u>	<u>63,137</u>
Totals	<u>\$ 136,004</u>	<u>\$ 134,652</u>

Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2008 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical <u>Assets</u> (Level 1)	Significant Other Observable <u>Inputs</u> (Level 2)	Significant Unobservable <u>Inputs</u> (Level 3)
Investments	\$ 993,630	\$ 993,630	\$ -	\$ -
Pledges receivable	<u>381,632</u>	<u>-</u>	<u>381,632</u>	<u>-</u>
Total assets	<u>\$ 1,375,262</u>	<u>\$ 993,630</u>	<u>\$ 381,632</u>	<u>\$ -</u>
Scholarships and grants payable	<u>\$ (65,887)</u>	<u>\$ -</u>	<u>\$ (65,887)</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the pledges receivable and scholarships and grants payable is determined by calculating the present value of future cash flows using an estimated rate of return from the year the pledges are received and scholarships and grants are promised. See Notes 3 and 4.

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. In June 2006, the FASB issued Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes."

On December 30, 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3 which allows deferral of FIN 48 for nonpublic enterprises included within this FSP's scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Foundation has elected to defer implementation of FIN 48 to its year ending on December 31, 2009. The Foundation does not expect that the adoption of FIN 48 will have a material effect on its financial position, results of operations or cash flows.

The Foundation individually evaluates its activities to determine that they are in compliance with its exempt purpose. For those activities that the Foundation determines to be unrelated business income, the Association records the resulting unrelated business income tax liability, if any.

2. INVESTMENTS

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

	<u>2008</u>	<u>2007</u>
<u>Short Term Investments</u>		
Certificates of Deposit	\$ 356,590	\$ 70,000
 <u>Long Term Investments</u>		
Money market	21,070	738,760
Mutual funds	615,970	324,564
	<u>637,040</u>	<u>1,063,324</u>
	<u>\$ 993,630</u>	<u>\$ 1,133,324</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	\$ -	\$ 1,292	\$ 152	\$ 715	\$ 18,911
Certificates of Deposit	-	-	-	-	356,590
Mutual Funds	497,546	76,861	41,563	-	-
	<u>\$ 497,546</u>	<u>\$ 78,153</u>	<u>\$ 41,715</u>	<u>\$ 715</u>	<u>\$ 375,501</u>

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

3. "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 educational and technical training initiatives for production personnel, engineering students, specifiers, owners and end users. Pledges to be received after one year are discounted at rates ranging from 1.5% to 8.0% to reflect fair value.

	<u>2008</u>	<u>2007</u>
Pledges receivable consist of the following		
Unconditional promises to give	\$ 400,706	\$ 492,497
Less: unamortized discount	<u>(19,074)</u>	<u>(29,765)</u>
Net unconditional promises to give	<u>\$ 381,632</u>	<u>\$ 462,732</u>
Amounts due in :		
Less than one year	\$ 175,247	\$ 181,354
One to five years	<u>225,459</u>	<u>311,143</u>
	<u>\$ 400,706</u>	<u>\$ 492,497</u>

4. SCHOLARSHIPS AND GRANTS PAYABLE

Scholarships and grants authorized but unpaid at December 31 are reported as liabilities in accordance with SFAS No. 116. Scholarships and grants to be paid after one year are discounted at 8% to reflect fair value.

	<u>2008</u>	<u>2007</u>
Scholarships and grants payable consists of the following:		
Unconditional promises to give	\$ 67,000	\$ 19,000
Less: unamortized discount	<u>(1,113)</u>	<u>(767)</u>
Net unconditional promises to give	<u>\$ 65,887</u>	<u>\$ 18,233</u>
Amounts due in:		
Less than one year	\$ 35,500	\$ 10,500
One to five years	<u>31,500</u>	<u>8,500</u>
	<u>\$ 67,000</u>	<u>\$ 19,000</u>

5. "FOUNDATION FOR THE FUTURE" ENDOWMENT

The Foundation's endowment consists of donor-restricted contributions that were made to its Foundation for the Future Campaign. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

5. "FOUNDATION FOR THE FUTURE" ENDOWMENT, CONTINUED

Interpretation of relevant law

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

Changes in Endowment Net Assets for the Year Ended December 31, 2008:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 392,798	\$ 1,137,737	\$ 1,530,535
Investment income	32,443	-	32,443
Net depreciation, realized and unrealized	<u>(299,718)</u>	<u>-</u>	<u>(299,718)</u>
Total investment return	(267,275)	-	(267,275)
Contributions	-	46,940	46,940
Appropriation of endowment assets for expenditure	<u>(95,933)</u>	<u>-</u>	<u>(95,933)</u>
Endowment net assets, end of year	<u>\$ 29,590</u>	<u>\$ 1,184,677</u>	<u>\$ 1,214,267</u>

All temporarily restricted net assets are subject to a time restriction under SPMIFA and a purpose restriction in accordance with donor restrictions.

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

5. "FOUNDATION FOR THE FUTURE" ENDOWMENT, CONTINUED

Funds with Deficiencies

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2008.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on income-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year the realized income from the endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

6. 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>2008</u>	<u>2007</u>
Personnel Costs	\$ 13,728	\$ 14,065
Facility and Equipment Costs	1,227	1,372
Capital Campaign Promotional Costs	<u>-</u>	<u>2,635</u>
Total Administrative Costs	<u>\$ 14,955</u>	<u>\$ 18,072</u>

The Association incurred expenses and collected payments from the golf outing and MCPX raffle for the Foundation during this year. As of December 31, 2008 and 2007, there was a net accounts receivable balance of \$12,798 and \$18,540, respectively.

NPCA EDUCATIONAL FOUNDATION

Notes to Financial Statements

December 31, 2008 and 2007

7. COMMITMENTS AND BOARD DESIGNATED NET ASSETS

The Foundation has committed to provide the Concrete Industry Management (CIM) program a \$100,000 grant payable over four years. The Foundation board of directors had designated \$100,000 of its net assets to cover this pledge. The Foundation will target colleges with the CIM program seeking scholarship applicants. As of December 31, 2008, the Foundation had an outstanding commitment of \$50,000 that has been included in scholarships and grants payable.

8. RESTATEMENT

During the year the Foundation determined that a \$100,000 pledge that was reported in a previous year as permanently restricted should have been reported as temporarily restricted to comply with the donor's original intention. In addition, a portion of the restriction was met in previous years. Beginning of year net assets have been restated in the statement of activities to reflect the change. The restatement had no impact on total net assets.