

Construction Industry Advancement Fund
of Southern California

Fund for Construction Industry Advancement

**CIAF - FCIA
2023 ANNUAL REPORT**





2023 Chairman's Message

During the calendar year of 2023, the Construction Industry Advancement Fund (CIAF) and the Fund for Construction Industry for Advancement (FCIA) collectively funded more than \$5 million in grants supporting a wide range of programs and projects sponsored by several highly respected, industry-related organizations. The two funds awarded over \$86 million in grants since inception and through the end of 2023.

CIAF commenced operations on September 19, 1972, and FCIA on September 28, 1977. The Funds are established and operate under Trust Agreements adopted by Associated General Contractors of California, Inc. (AGC), Building Industry Association of Southern California (BIA), Engineering Contractors Association (ECA), and the Southern California Contractors Association (SCCA).

CIAF and FCIA collect contributions from several hundred contractors in the eleven-county areas of Southern California in accordance with Collective Bargaining Agreements. These areas are Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, Santa Barbara, San Bernardino, San Luis Obispo, and Ventura Counties. In the case of CIAF, contributions from the employers are through The United Brotherhood of Carpenters and Joiners of America. Affiliates of the Operative Plasterers and Cement Masons International Association, the International Union of Operating Engineers, the Laborers International Union of North America, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America provide financing for FCIA.

The Funds promote, encourage, and assist in financing activities for the following purposes:

- To study Building Codes, Regulations, and Laws affecting the construction industry.
- To recommend improvements, education, and training of supervisory and managerial personnel of the industry.
- To promote cooperation among architects, engineers, public officials, and contractors:
- To study and promote safety programs for the prevention of accidents and crime prevention, and
- To assemble statistical information and conduct research for market development.

This report, which includes the 2023 Audited Financial Statements of Operations, provide the activities supported by CIAF and FCIA. The Administrator and the Trustees monitor each grant's continued quarterly funding progress and Financial Reports to certify that the funds are being utilized efficiently for its purposes. We trust that this report will be a source of satisfaction to all contributing contractors.

On behalf of the Trustees, we extend our sincere appreciation for your continued support.

Jaimie Angus
Chairman

2023 Summary of Grants Awarded

AGC LEGISLATIVE PROGRAM		
To support a State-wide budget of staff and facilities for review of pending legislation affecting the construction industry; and to present to members of the California Senate and Assembly the industry's views on relevant legislative matters.		
AMT REQ: \$982,998 Fair Share: \$878,498		
23-01		
(Legislative Grant Committee)	CIAF FCIA TOTAL	\$263,549 614,949 \$878,498

AGC THE ROAD INFORMATION PROGRAM (TRIP)		
To help finance information programs promoting greater utilization of public roadways and public support for projects to improve and upgrade roads, highways and bridges within California.		
AMT REQ. \$50,000 Fair Share: \$30,000		
23-02		
(Advocacy Grant Committee)	CIAF FCIA TOTAL	\$15,000 \$20,000 \$35,000

AGC CONSTRUCTION EDUCATION FOUNDATION		
To assist in developing a curriculum at the high school level for the education and preparation of students in construction skills and the opportunities and benefits of the industry.		
AMT REQ: \$1,020,000 Fair Share: \$845,000		
23-03		
(Omnibus/Legal Grant Committee)	CIAF FCIA TOTAL	\$205,954 \$491,654 \$697,608

SCCA LEGISLATIVE PROGRAM		
To conduct a comprehensive Legislative Program, involving investigation, research and active participation in legislative conferences, meetings and other events. To introduce and support legislation favorable to the industry, and to vigorously oppose legislation which would be detrimental to the construction industry at large.		
AMT REQ: \$845,000		
23-04		
	CIAF FCIA TOTAL	\$ 94,000 \$659,602 \$753,602

SCCA SCHOLARSHIP PROGRAM		
To support a Scholarship Fund of the Southern California Contractors Association, to assist engineering students interested in construction careers to continue their education in accredited schools.		
AMT REQ: \$157,500		
23-05		
	CIAF FCIA TOTAL	\$14,970 \$105,030 \$120,000

SCCA CONSTRUCTION UNIVERSITY		
To develop and deliver a comprehensive education, employee development, safety training program for its members and their construction industry workforce.		
AMT REQ: \$172,500		
23-06		
	CIAF FCIA TOTAL	\$3,742 \$26,258 \$30,000

SCCA MARKETING OUTREACH		
CIAF #1190 FCIA #F-1027		
AMT REQ: \$100,000		
23-07		
	CIAF FCIA TOTAL	\$11,850 \$83,150 \$95,000

ECA CONSTRUCTION INDUSTRY ADVOCACY PROGRAM		
To assist in developing a curriculum at the high school level for the education and preparation of students in construction skills and the opportunities and benefits of the industry.		
AMT REQ: \$330,750		
23-08		
	CIAF FCIA TOTAL	\$7,124 \$98,543 \$105,667

ECA INDUSTRY ADVANCEMENT PROGRAM		
To assist financing the ECA Industry Advancement Program which serves to advance and promote the construction industry both locally and at a state level through several avenues of media and events.		
AMT REQ: \$165,500		
23-09		
	CIAF \$ FCIA \$ TOTAL	\$2,479 \$34,521 \$37,000

ECA SCHOLARSHIP PROGRAM		
To assist financing the ECA Scholarship Program, which provides academic scholarships to students since 1990.		
AMT REQ: \$82,688		
23-10		
	CIAF FCIA TOTAL	\$1,809 \$25,191 \$27,000

2023 Summary of Grants Awarded (continued)

ECA SAFETY PROGRAM		
To assist financing the ongoing ECA Safety Program, which provides continuing safety training and education for members and their employees, as well as, provide access to numerous safety related industry publications.		
AMT REQ: \$82,688		
23-11		
	CIAF	\$1,474
	FCIA	\$20,526
	TOTAL	\$22,000

UCON Professional Development Program		
AMT REQ: \$208,000		
23-15		
	CIAF	\$21,831
	FCIA	\$150,465
	TOTAL	\$172,296

SECURE WATER ALLIANCE		
AMT REQ: \$115,000		
23-12		
	CIAF	\$23,460
	FCIA	\$78,540
	TOTAL	\$102,000

UCON Scholarship Program		
AMT REQ: \$30,000		
23-16		
	CIAF	\$634
	FCIA	\$4,366
	TOTAL	\$5,000

UCON LEGISLATIVE AND REGULATORY PROGRAM		
AMT REQ: \$433,000		
23-13		
	CIAF	\$39,516
	FCIA	\$272,358
	TOTAL	\$311,874

CONSTRUCTION INDUSTRY CRIME PREVENTION PROGRAM OF SOUTHERN CALIFORNIA		
AMT REQ: \$155,000		
23-17		
	CIAF	\$32,200
	FCIA	\$107,800
	TOTAL	\$140,000

UCON INDUSTRY RELATIONS		
AMT REQ: \$82,000		
23-14		
	CIAF	\$7,602
	FCIA	\$52,398
	TOTAL	\$60,000

Supplemental		
	CIAF	\$11,500
	FCIA	\$35,500
	TOTAL	\$50,000

BIA BUILDING INDUSTRY LEGAL DEFENSE (BILD) FOUNDATION (BILD)		
To protect the integrity of the entitlement/construction process and protect the rights of property owners to develop their land. Special emphasis is placed on problems created by the State and Federal Endangered Species Act, abuses of construction defects litigation, and the imposition of excessive impact fees to finance public infrastructure and schools.		
AMT REQ: \$417,000		
23-18		
	CIAF	\$167,514
	FCIA	\$178,781
	TOTAL	\$346,295

CONSTRUCTION INDUSTRY AIR QUALITY COALITION (CIAQC)

To help finance a long-term, coordinated project for monitoring actions of the South Coast Air Quality Management District, the Southern California Association of Governments, the California Resources Board and the Environmental Protection Agency, and their impact on the construction industry. The project is directed by three representatives each of AGC, BIA, ECA and SCCA as a coalition on Air Quality Management.

AMT. REQ: \$260,200

23-20

	CIAF	\$58,236
	FCIA	\$194,964
	TOTAL	\$253,200

CONSTRUCTION INDUSTRY COALITION FOR WATER QUALITY (CICWQ)

To help finance a forum and entity to respond collectively to the unprecedented levels of water quality regulatory activity by regulators and anti-development interest groups.

AMT. REQ: \$350,000

23-21

	CIAF	\$79,350
	FCIA	\$265,650
	TOTAL	\$345,000

CONSTRUCTION INDUSTRY FORCE ACCOUNT COUNCIL (CIFAC)

To obtain, supervise and maintain the services of professionals possessing the experience and knowledge of Force Account methods and bidding practices, to study, investigate and determine if awarding authorities are violating, or have violated laws, ordinances and/or regulations.

AMT. REQ. \$400,000

23-22

	CIAF	\$80,500
	FCIA	\$269,500
	TOTAL	\$350,000

Strategic Ventures Extra-Legal Loads Transportation Program

AMT. REQ; \$42,413

23-23

	CIAF	\$9,755
	FCIA	\$32,658
	TOTAL	\$42,413

2023 GRAND TOTAL	CIAF	1,154,049
	FCIA	3,825,404
	TOTAL	\$4,979,453

**CONSTRUCTION INDUSTRY ADVANCEMENT
FUND OF SOUTHERN CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2023 AND 2022**

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H&A HENNINGFIELD & ASSOCIATES, INC.

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Report of Independent Public Accountants

Board of Trustees
Construction Industry Advancement Fund of Southern California
Covina, California

Opinion

We have audited the accompanying financial statements of Construction Industry Advancement Fund of Southern California, a nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statements of financial position of Construction Industry Advancement Fund of Southern California as of December 31, 2023 and 2022, and the statements of activities and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Construction Industry Advancement Fund of Southern California and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Construction Industry Advancement Fund of Southern California ability to continue as a going concern for the year ended December 31, 2023.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Board of Trustees
Construction Industry Advancement Fund of Southern California
Covina, California

Auditor's 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 auditor's 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 GAAS 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 GAAS, we:

Exercise professional judgement 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 Construction Industry Advancement Fund of Southern California'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Construction Industry Advancement Fund of Southern California'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.

Henningfield & Associates, Inc.

HENNINGFIELD & ASSOCIATES, INC.
Valencia, CA
September 3, 2024

H&A HENNINGFIELD & ASSOCIATES, INC.
Certified Public Accountants

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Henningfield & Associates, Inc.

HENNINGFIELD & ASSOCIATES, INC.

Valencia, CA

September 3, 2024

**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022**

ASSETS

	2023	2022
CASH AND CASH EQUIVALENTS (Note 6)		
Checking Account	\$ 18,191	\$ 94,501
Business Money Market	<u>103,381</u>	<u>136,041</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>121,572</u>	<u>230,542</u>
INVESTMENT AT FAIR VALUE (Note 3)		
Certificate of Deposit	<u>75,000</u>	<u>75,000</u>
TOTAL INVESTMENTS AT FAIR VALUE	<u>75,000</u>	<u>75,000</u>
RECEIVABLES		
Employer Contributions (Note 7)	<u>90,017</u>	<u>89,866</u>
TOTAL RECEIVABLES	<u>90,017</u>	<u>89,866</u>
OTHER ASSETS		
Prepaid Insurance and Expenses	<u>1,629</u>	<u>1,568</u>
TOTAL OTHER ASSETS	<u>1,629</u>	<u>1,568</u>
TOTAL ASSETS	<u><u>\$ 288,218</u></u>	<u><u>\$ 396,976</u></u>

LIABILITIES AND UNRESTRICTED NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 3,141	\$ 441
Proxy Tax Payable	<u>14,277</u>	<u>6,770</u>
TOTAL CURRENT LIABILITIES	<u>17,418</u>	<u>7,211</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board Designated - Operating reserve	77,367	80,771
Board Designated - Contingency reserve	211,445	305,011
Undesignated	<u>(28,012)</u>	<u>3,983</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board Designated - operating reserve	<u>270,800</u>	<u>389,765</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 288,218</u></u>	<u><u>\$ 396,976</u></u>

The accompanying notes are an integral part of these financial statements

CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

	2023	2022
REVENUES AND GAINS		
Employer contributions (Note 7)	\$ 1,107,225	\$ 1,220,043
Interest Income	<u>5,226</u>	<u>1,224</u>
Total Revenues and Gains	<u>1,112,451</u>	<u>1,221,267</u>
EXPENSES		
PROGRAM EXPENSES		
Grants Funded	1,154,049	1,134,560
MANAGEMENT AND GENERAL EXPENSES		
Administrative Fee	58,430	56,726
Audit and Accounting Fees	5,250	10,000
Bank Charges	1,396	2,297
Contributions Collection Program	1,560	2,750
Insurance and Bonds	6,456	6,406
Storage Fees	1,387	1,519
Printing, Postage and miscellaneous	<u>1,849</u>	<u>1,073</u>
Total Management and General Expenses	<u>77,367</u>	<u>80,771</u>
Total Expenses	<u>1,231,416</u>	<u>1,215,331</u>
Change in Net Assets Without Donor Restrictions	(118,965)	5,936
Net Assets Without Donor Restrictions, Beginning of Year	<u>383,765</u>	<u>383,829</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 270,800</u>	<u>\$ 389,765</u>

The accompanying notes are in integral part of these financial statements

CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

CASH FLOWS OPERATING ACTIVITIES	2023	2022
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ (118,965)	\$ 5,936
Changes In Operating Assets and Liabilities		
(Increase) decrease in receivable	(151)	680
Prepaid Expenses	(61)	135
Payables	10,207	22,917
Net Cash From Operating Activities	(108,970)	(16,166)
Net Change In Cash and Cash Equivalents	(108,970)	(16,166)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	230,542	246,708
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 121,572	\$ 230,542



**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

The Construction Industry Advancement Fund of Southern California (the Organization) was established for the purpose of operating a program for the advancement of the construction industry. Funds to finance the activities of the Entity are derived from employer contributions paid under the Carpenters Master Labor Agreement.

CASH AND CASH EQUIVALENTS

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long term purposes, are considered to be cash and cash equivalents.

RECEIVABLES AND CREDIT POLICIES

Employer contributions receivable consist of noninterest bearing amounts due from various employers affiliated with the Organization through the Carpenters Master Labor Agreement. Allowance for uncollectable employer contributions receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

Employer contributions receivable are written off when deemed uncollectable. At December 31, 2023 and 2022, the allowance was \$-0-.

NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reports as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has a designated operating reserve for \$77,367 and \$80,771 as of December 31, 2023 and 2022, respectively. The Board also has a designated contingency reserve for \$221,445 and \$305,011, as of December 31, 2023 and 2022, respectively.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At December 31, 2023 and 2022, the Organization has no net assets with donor restrictions.

**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

REVENUE AND REVENUE RECOGNITION

Revenue is recognized from employer contributions when services are provided. Employer contributions are governed by the collective bargaining agreement or working agreement, which provides for a per hour rate that the employers are required to pay into the Organization for each employee hour worked. In exchange the Organization provides ongoing promotion and advancement of the construction industry.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of activities also present the natural classification detail of expenses by function. No costs have been allocated among program and supporting services benefited because the expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting services activities.

INCOME TAXES

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2023	2022
Cash And Cash Equivalents	\$ 121,572	\$ 230,542
Certificate Of Deposit	75,000	75,000
Employer Contributions	90,017	89,866
Total Assets	\$ 286,589	\$ 395,408

NOTE 3 – FAIR VALUE MEASUREMENT

If available, quoted market prices are used to value investments. Many factors are considered in arriving at that fair value. In general, however, U.S. Government Bonds and Certificates of Deposits are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Purchases and sales of securities are recorded on a trade-date basis. Investment in mutual funds are valued at quoted market prices, which represents the net asset value. Interest income is recorded on the accrual basis.

FASB Accounting Standards Codification (ASC) 820, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). ASC 820 emphasizes that fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the Plan (observable inputs) and (2) the Plan's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Plan has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

**CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets which are not active; Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the Plan’s own assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Plan’s own data. However, market participant cannot be ignored and, accordingly, the Plan’s own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The methods of valuation described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in valuation methodologies used at December 31, 2023 and 2022.

The plan does not have any Level 3 investments and there were no significant transfers between Level 1 and Level 2 investments during the year ended December 31, 2023.

The fair value hierarchy of ASC 820 gives the highest priority to Level 1 and the lowest priority to Level 3 inputs.

The following table summarizes the valuation of the Plan’s investments in accordance with ASC 820 fair value hierarchy as of December 31, 2023, and 2022:

	Level 1	Level 2	Level 3	Balance at 12/31/23
Certificate of Deposit	\$ -	\$ 75,000	\$ -	\$ 75,000
	Level 1	Level 2	Level 3	Balance at 12/31/22
Certificate of Deposit	\$ -	\$ 75,000	\$ -	\$ 75,000

CONSTRUCTION INDUSTRY ADVANCEMENT FUND OF SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 – DUE TO FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT

Effective January 1, 1993, the Board of Trustees voted to utilize Fund for Construction Industry Advancement for payment of administrative expenses. Fund for Construction Industry Advancement shares 60% and Construction Industry Advancement Fund shares 40% of the administrative expenses. Storage fees was the only expenses allocated in the last two years.

NOTE 5 – GRANTS

During year ended December 31, 2023, grants were awarded to persons who undertook projects to study building codes, regulations and laws affecting the construction industry to recommend improvements and to advance the construction industry. The Board of Trustees awarded \$1,154,049 and funded \$1,154,049 in grants as of December 31, 2023. The Board of Trustees awarded \$1,134,560 and funded \$1,134,560 in grants as of December 31, 2022.

NOTE 6 – CONCENTRATION OF CREDIT RISK

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with employer contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from employers that are signatory to a collective bargaining agreement or working agreement and are supportive of the Organization's mission. The organization's cash and cash activities are with United Business Bank. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, such cash balances may be in excess of the insurance limit.

NOTE 7 – RISK AND UNCERTAINTIES

The fund invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

NOTE 8 - SUBSEQUENT EVENTS

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosures through September 3, 2024, the date the financial statements were available to be issued.

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CONSTRUCTION INDUSTRY ADVANCEMENT FUND

SCHEDULE OF GRANTS FUNDED

YEAR ENDED DECEMBER 31, 2023

Grant Number	Grantee and Program	Total Amount	Total Amount Disbursed
1184-23-01	AGC Legislative Program	\$ 263,549.00	\$ 263,549.00
1185-23-02	AGC The Road Information Program (TRIP)	15,000.00	15,000.00
1186-23-03	AGC Construction Education Foundation	205,954.00	205,954.00
1187-23-04	SCCA Legislative Program	94,000.00	94,000.00
1188-23-05	SCCA Scholarship Program	14,970.00	14,970.00
1189-23-06	SCCA Construction University	3,742.00	3,742.00
1190-23-07	SCCA Marketing Outreach	11,850.00	11,850.00
1191-23-08	ECA Construction Industry Advocacy	7,124.00	7,124.00
1192-23-09	ECA Industry Advancement Program	2,479.00	2,479.00
1193-23-10	ECA Scholarship Program	1,809.00	1,809.00
1194-23-11	ECA Safety Fund	1,474.00	1,474.00
1195-23-12	Secure Water Alliance	23,460.00	23,460.00
1196-23-13	UCON Legislative and Regulatory Program	39,516.00	39,516.00
1197-23-14	UCON Industry Relations	7,602.00	7,602.00
1198-23-15	UCON Professional Development Program	21,831.00	21,831.00
1199-23-16	UCON Scholarship Program	634.00	634.00
1200-23-17	Construction Industry Crime Prevention Program of Southern California Supplemental	32,200.00 11,500.00	32,200.00 11,500.00
1201-23-18	BIA for Building Industry Legal Defense Foundation (BILD)	167,514.00	167,514.00
1203-23-20	Construction Industry Air Quality Coalition (CIAQC)	58,236.00	58,236.00
1204-23-21	Construction Industry Coalition for Water Quality (CICWQ)	79,350.00	79,350.00
1205-23-22	CIFAC/Industry Force Account	80,500.00	80,500.00
1206-23-23	Strategic Ventures Extra-Legal Loads Transportation Program	9,755.00	9,755.00
	GRAND TOTAL	<u>\$1,154,049.00</u>	<u>\$1,154,049.00</u>

FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES DECEMBER 31, 2023 AND 2022

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Report of Independent Public Accountants

Board of Trustees
Fund for Construction Industry Advancement
Covina, California

Opinion

We have audited the accompanying financial statements of Fund for Construction Industry Advancement, a nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statements of financial position of Fund for Construction Industry Advancement as of December 31, 2023 and 2022, and the statements of activities and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fund for Construction Industry Advancement and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Fund for Construction Industry Advancement ability to continue as a going concern for the year ended December 31, 2023.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

H&A HENNINGFIELD & ASSOCIATES, INC.

Certified Public Accountants

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Board of Trustees
Fund for Construction Industry Advancement Covina, California

Auditor's 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 auditor's 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 GAAS 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 GAAS, we:

Exercise professional judgement 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 Fund for Construction Industry Advancement'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fund for Construction Industry Advancement'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.

Henningfield & Associates, Inc.

HENNINGFIELD & ASSOCIATES, INC.

Valencia, CA
September 3, 2024

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH AND CASH EQUIVALENTS (Note 6)		
Checking Account	\$ 172,442	\$ 357,181
Business Money Market	<u>99,771</u>	<u>355,958</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>272,213</u>	<u>713,139</u>
INVESTMENT AT FAIR VALUE (Note 3)	290,000	290,000
Certificate of Deposit		
TOTAL INVESTMENTS AT FAIR VALUE	<u>290,000</u>	<u>290,000</u>
RECEIVABLES		
Employer Contributions (Note 7)	602,418	274,387
TOTAL RECEIVABLES	<u>602,418</u>	<u>274,387</u>
OTHER ASSETS		
Prepaid Insurance and Expenses	<u>1,782</u>	<u>1,716</u>
TOTAL OTHER ASSETS	<u>1,782</u>	<u>1,716</u>
TOTAL ASSETS	<u>\$ 1,166,413</u>	<u>\$1,279,242</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 13,698	\$ 3,219
Proxy Tax Payable	<u>42,383</u>	<u>15,797</u>
TOTAL CURRENT LIABILITIES	<u>56,081</u>	<u>19,016</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Board Designated - Operating reserve	134,686	131,446
Board Designated - Contingency reserve	758,912	794,989
Undesignated	<u>216,734</u>	<u>333,791</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,110,332</u>	<u>1,260,226</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,166,413</u>	<u>\$ 1,279,242</u>

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
STATEMENTS OF ACTIVITIES
AS OF DECEMBER 31, 2023 AND 2022**

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

	2023	2022
REVENUES AND GAINS		
Employer Contributions (Note 7)	\$ 3,794,559	\$ 3,179,955
Interest Income	<u>15,637</u>	<u>3,157</u>
TOTAL REVENUES AND GAINS	<u>3,810,196</u>	<u>3,183,112</u>
EXPENSES		
PROGRAM EXPENSES		
Grants Funded	3,825,404	2,647,306
MANAGEMENT AND GENERAL EXPENSES		
Administrative Fee	87,646	85,090
Audit and accounting fees	5,250	10,000
Bank charges	3,026	1,390
Contributions collection program	26,949	23,903
Insurance and bonds	7,063	6,860
Storage	2,081	2,279
Legal fees and expenses	124	-
Trustee meetings	987	-
Printing, postage and miscellaneous	<u>1,560</u>	<u>1,924</u>
Total Management and General Expenses	<u>134,686</u>	<u>131,446</u>
TOTAL EXPENSES	3,960,090	2,778,752
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(149,894)	404,360
NET ASSETS, without donor restrictions, beginning of year	<u>1,260,226</u>	<u>855,866</u>
NET ASSETS, without donor restrictions, end of year	<u>\$ 1,110,332</u>	<u>\$ 1,260,226</u>

The accompanying notes are an integral part of these financial statements.

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
INCREASE(DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	\$ (149,894)	\$ 404,360
Changes in operating assets and liabilities		
(Increase) decrease in receivable	(328,031)	(87,363)
(Increase) decrease in prepaid expenses	(66)	(4)
Increase (decrease) in accounts payable	<u>37,065</u>	<u>(46,258)</u>
Net cash provided by operating activities	<u>(440,926)</u>	<u>270,735</u>
Net increase (decrease) in cash and cash equivalents	<u>(440,926)</u>	<u>270,735</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>713,139</u>	<u>442,404</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 272,213</u></u>	<u><u>\$ 713,139</u></u>

The accompanying notes are in integral part of these financial statements

FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

The Fund for Construction Industry Advancement (the Organization) was established for the purpose of operating a program for the advancement of the construction industry. Funds to finance the activities of the Entity are derived from employer contributions paid under the Southern California Master Labor Agreement which includes the Eleven Southern California Counties Cement Masons, the International Union of Operating Engineers, Local No. 12, the Southern California District Council of Laborers, and the Joint Council of Teamsters No. 42 and Teamsters Local No. 87.

CASH AND CASH EQUIVALENTS

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long term purposes, are considered to be cash and cash equivalents.

RECEIVABLES AND CREDIT POLICIES

Employer contributions receivable consist of noninterest bearing amounts due from various employers affiliated with the Organization through the Southern California Master labor Agreement. Allowance for uncollectable employer contributions receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Employer contributions receivable are written off when deemed uncollectable. At December 31, 2023 and 2022, the allowance was \$-0-.

NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reports as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has a designated operating reserve for \$134,686 and \$131,446 as of December 31, 2023 and 2022, respectively. The Board also has a designated contingency reserve for \$758,912 and \$794,989, as of December 31, 2023 and 2022, respectively.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At December 31, 2023 and 2022, the Organization has no net assets with donor restrictions.

The accompanying notes are in integral part of these financial statements

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

REVENUE AND REVENUE RECOGNITION

Revenue is recognized from employer contributions when services are provided. Employer contributions are governed by the collective bargaining agreement or working agreement, which provides for a per hour rate that the employers are required to pay into the Organization for each employee hour worked. In exchange the Organization provides ongoing promotion and advancement of the construction industry.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of activities also present the natural classification detail of expenses by function. No costs have been allocated among program and supporting services benefited because the expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting services activities.

INCOME TAXES

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

The accompanying notes are in integral part of these financial statements

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2023	2022
Cash and cash equivalents	\$ 272,213	\$ 713,139
Certificates of deposit	290,000	290,000
Employer contributions	602,418	274,387
Total Assets	\$ <u>1,164,631</u>	\$ <u>1,277,526</u>

NOTE 3 – FAIR VALUE MEASUREMENT

If available, quoted market prices are used to value investments. Many factors are considered in arriving at that fair value. In general, however, U.S. Government Bonds and Certificates of Deposits are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Purchases and sales of securities are recorded on a trade-date basis. Investment in mutual funds are valued at quoted market prices, which represents the net asset value. Interest income is recorded on the accrual basis.

FASB Accounting Standards Codification (ASC) 820, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). ASC 820 emphasizes that fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between **(1)** market participant assumptions developed based on market data obtained from sources independent of the Plan (observable inputs) and **(2)** the Plan’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The accompanying notes are in integral part of these financial statements

FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Plan has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets which are not active; Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the Plan's own assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Plan's own data. However, market participant cannot be ignored and, accordingly, the Plan's own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The methods of valuation described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in valuation methodologies used at December 31, 2023 and 2022.

The plan does not have any Level 3 investments and there were no significant transfers between Level 1 and Level 2 investments during the year ended December 31, 2023.

The fair value hierarchy of ASC 820 gives the highest priority to Level 1 and the lowest priority to Level 3 inputs.

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

The following table summarizes the valuation of the Plan’s investments in accordance with ASC 820 fair value hierarchy as of December 31, 2023, and 2022:

	Level 1	Level 2	Level 3	Balance at 12/31/23
Certificate of Deposit	\$ -	\$ 290,000	\$ -	\$ 290,000
	Level 1	Level 2	Level 3	Balance at 12/31/22
Certificate of Deposit	\$ -	\$ 290,000	\$ -	\$ 290,000

NOTE 4 – DUE FROM CONSTRUCTION INDUSTRY ADVANCEMENT FUND

Effective January 1, 1993, the Board of Trustees voted to utilize Fund for Construction Industry Advancement for payment of administrative expenses. Fund for Construction Industry Advancement shares 60% and Construction Industry Advancement Fund shares 40% of the administrative expenses. Storage fees was the only expenses allocated in the last two years.

NOTE 5 – GRANTS

During year ended December 31, 2023 and 2022, grants were awarded to persons who undertook projects to study building codes, regulations and laws affecting the construction industry to recommend improvements and to advance the construction industry. The Board of Trustees awarded \$3,825,404 and funded \$3,825,404 in grants as of December 31, 2023. The Board of Trustees awarded \$2,647,306 and funded \$2,647,306 in grants as of December 31, 2022.

NOTE 6 – CONCENTRATION OF CREDIT RISK

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with employer contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from employers that are signatory to a collective bargaining agreement or working agreement and are supportive of the Organization’s mission. The organization’s cash and cash activities are with United Business Bank. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, such cash balances may be in excess of the insurance limit.

**FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 – RISK AND UNCERTAINTIES

The fund invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

NOTE 8 - SUBSEQUENT EVENTS

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosures through September 3, 2024, the date the financial statements were available to be issued.



FUND FOR CONSTRUCTION INDUSTRY ADVANCEMENT
SCHEDULE OF GRANTS FUNDED
YEAR ENDED DECEMBER 31, 2023

Grant Number	Grantee and Program	Total Amount	Total Amount Disbursed
F-1021-23-01	AGC Legislative Program	\$ 614,949.00	\$ 614,949.00
F-1022-23-02	AGC The Road Information Program (TRIP)	20,000.00	20,000.00
F-1023-23-03	AGC Construction Education Foundation	491,654.00	491,654.00
F-1024-23-04	SCCA Legislative Program	659,602.00	659,602.00
F-1025-23-05	SCCA Scholarship Program	105,030.00	105,030.00
F-1026-23-06	SCCA Construction University	26,258.00	26,258.00
F-1027-23-07	SCCA Marketing Outreach	83,150.00	83,150.00
F-1028-23-08	ECA Construction Industry Advocacy	98,543.00	98,543.00
F-1029-23-09	ECA Industry Advancement Program	34,521.00	34,521.00
F-1030-23-10	ECA Scholarship Program	25,191.00	25,191.00
F-1031-23-11	ECA Safety Fund	20,526.00	20,526.00
F-1032-23-12	Secure Water Alliance	78,540.00	78,540.00
F-1033-23-13	UCON Legislative and Regulatory Program	272,358.00	272,358.00
F-1034-23-14	UCON Industry Relations	52,398.00	52,398.00
F-1035-23-15	UCON Professional Development Program	150,465.00	150,465.00
F-1036-23-16	UCON Scholarship Program	4,366.00	4,366.00
F-1037-23-17	Construction Industry Crime Prevention Program of Southern California Supplemental	107,800.00 38,500.00	107,800.00 38,500.00
F-1038-23-18	BIA for Building Industry Legal Defense Foundation (BILD)	178,781.00	178,781.00
F-1040-23-20	Construction Industry Air Quality Coalition (CIAQC)	194,964.00	194,964.00
F-1041-23-21	Construction Industry Coalition for Water Quality (CICWQ)	265,650.00	265,650.00
F-1042-23-22	CIFAC/Industry Force Account Council (CIFAC)	269,500.00	269,500.00
F-1043-23-23	Strategic Ventures Extra-Legal Loads Transportation Program	32,658.00	32,658.00
GRAND TOTAL		<u>\$3,825,404.00</u>	<u>\$3,825,404.00</u>

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