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October 2, 2014

Board of Directors  
Northeast Indiana Workforce Investment Board, Inc.  
200 E. Main Street  
Fort Wayne, IN 46802

We have reviewed the audit report prepared by Dunton & Co., P.C., for the period July 1, 2010 to June 30, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Northeast Indiana Workforce Investment Board, Inc., as of June 30, 2011, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**Northeast Indiana Workforce Investment Board, Inc.**

**d/b/a Partners for Workforce Solutions**

Fort Wayne, Indiana

Financial Statements and Additional Information

June 30, 2011



**Northeast Indiana Workforce Investment Board, Inc.**  
**d/b/a Partners for Workforce Solutions**  
Financial Statements and Additional Information  
June 30, 2011

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Indianapolis, Indiana

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Northeast Indiana Workforce Investment Board, Inc.  
d/b/a Partners for Workforce Solutions  
Fort Wayne, Indiana

We have audited the accompanying statement of financial position of Northeast Indiana Workforce Investment Board, Inc., d/b/a Partners for Workforce Solutions (PWS) (a nonprofit organization), as of June 30, 2011, and the related statements of activities and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PWS as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2012, on our consideration of PWS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing; and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance for the year ended June 30, 2011 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Dunton & Co., P.C*

March 29, 2012

**Northeast Indiana Workforce Investment Board, Inc.**  
d/b/a Partners for Workforce Solutions  
Statement of Financial Position  
June 30, 2011

**ASSETS**

	<u>2011</u>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 2,535,151
Grants receivable	2,903,773
Other receivables	215,974
Prepaid expenses	<u>123,032</u>
Total current assets	<u>5,777,930</u>
 Total assets	 <u><u>\$ 5,777,930</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 3,303,961
Accrued payroll and related expenses	19,525
Deferred revenue	<u>2,389,553</u>
Total current liabilities	<u>5,713,039</u>

<b>NET ASSETS</b>	
Unrestricted	64,891
Temporarily restricted	<u>-</u>
Total net assets	<u>64,891</u>
 Total liabilities and net assets	 <u><u>\$ 5,777,930</u></u>

**Northeast Indiana Workforce Investment Board, Inc.**

d/b/a/ Partners for Workforce Solutions

Statement of Activities

For the year ended June 30, 2011

	2011		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Federal and state grants	\$ 23,254,384	\$ -	\$ 23,254,384
Contributions	500	-	500
Interest Income	273	-	273
Other Income	3,374,947	-	3,374,947
	26,630,104	-	26,630,104
 Net assets released from restrictions	 150,000	 (150,000)	 -
 Total revenue and net assets released from restrictions	 26,780,104	 (150,000)	 26,630,104
 <b>EXPENSES</b>			
Program Activities			
Customer Related Expenses			
Classroom Training	13,801,733	-	13,801,733
On-The-Job Training	793,524	-	793,524
Internships	417,087	-	417,087
Supportive Services	118,915	-	118,915
WorkOne Operations	10,573,124	-	10,573,124
Total Program Activities	25,704,383	-	25,704,383
 Administration	 1,090,114	 -	 1,090,114
	26,794,497	-	26,794,497
 Decrease in net assets	 (14,393)	 (150,000)	 (164,393)
 NET ASSETS AT BEGINNING OF YEAR	 79,284	 150,000	 229,284
 NET ASSETS AT END OF YEAR	 \$ 64,891	 \$ -	 \$ 64,891

**Northeast Indiana Workforce Investment Board, Inc.**  
d/b/a/ Partners for Workforce Solutions  
Statement of Cash Flows  
For the year ended June 30, 2011

	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Decrease in net assets	\$ (164,393)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
(Increase) decrease in cash from changes in:	
Grants receivable	2,895,633
Other receivables	(212,685)
Prepaid expense	30,657
Increase (decrease) in cash from changes in:	
Accounts payable	(679,856)
Accrued payroll and related expenses	(49,462)
Deferred revenue	409,322
Net cash provided by operating activities	2,229,216
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>305,935</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,535,151</b>

**Northeast Indiana Workforce Investment Board, Inc.**  
**d/b/a Partners for Workforce Solutions**  
Notes to Financial Statements  
June 30, 2011

**Note 1 Summary of Significant Accounting Policies**

**Nature of Operations**

Northeast Indiana Workforce Investment Board, Inc., d/b/a Partners for Workforce Solutions, (PWS) was organized as a not-for-profit corporation in 1983. The corporation was formed to receive and administer funds for educational, charitable, job training and workforce development purposes. Currently PWS is under contract with the Region 2 and Region 3 Regional Workforce Boards (RWBs) to provide Regional Operator and Fiscal Agent services. The Region 2 RWB oversees Workforce Development Services provided in five (5) counties in Northern Indiana and the Region 3 RWB oversees Workforce Development Services in eleven (11) counties in Northeast Indiana. Approximately 87% of the total revenue is federal pass-through funding received on behalf of the Region 2 and Region 3 Workforce Boards from the State of Indiana, Department of Workforce Development.

**Basis of Accounting**

The financial statements of PWS have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), and accordingly reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-210-45, *Financial Statements of Not-for-Profit Organizations*. Under ASC, not-for-profit organizations are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2011, PWS only has unrestricted net assets.

**Grants and Accounts Receivable**

Grants and accounts receivable are evaluated as to their collectability annually, if not more frequently, and any anticipated uncollectible accounts are written off when deemed uncollectible. All accounts were deemed collectible as of June 30, 2011.

**Property and Equipment**

Property and equipment purchased with grant funds is overseen by PWS as the Fiscal Agent for the Region 2 and Region 3 Regional Workforce Boards and the State of Indiana while used in the programs overseen by PWS. The value of this property is not presented in PWS's financial statements since this property is owned by the State of Indiana or the Federal government.

**Northeast Indiana Workforce Investment Board, Inc.**  
**d/b/a Partners for Workforce Solutions**

Notes to Financial Statements

June 30, 2011

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

Contributions are recognized when the donor makes a promise to give a donation to PWS that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as grant revenue or exchange transactions based on criteria contained in the grant award. PWS only recorded grants as grant revenue for the year ending June 30, 2011.

**Grant Awards that are reflected as Grant Revenue**

Grant awards that are reimbursement arrangements are recorded as revenue based on revenues earned. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance and are recorded as deferred revenue.

**Income Taxes**

PWS is a not-for-profit organization under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and Indiana income taxes. PWS believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

PWS's exempt organization income tax returns (Form 990), for the years ended June 30, 2010, 2009, and 2008 are subject to examination by the IRS, generally for three years after the returns have been filed.

**Northeast Indiana Workforce Investment Board, Inc.**  
**d/b/a Partners for Workforce Solutions**  
 Notes to Financial Statements  
 June 30, 2011

**Cost Allocation**

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefits of the organization's purposes and programs, which cannot be readily identified with the final cost objective.

**Concentration of Credit Risk**

PWS maintains cash balances at one commercial bank. The bank where the organization's accounts are maintained participates in the Transaction Account Guarantee (TAG) program. All balances over \$250,000 were insured by this program as of June 30, 2011. The certificates of deposits active during the fiscal year ended June 30, 2011 were under \$250,000 and were fully insured. PWS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Grants receivable and accounts receivable, as discussed in Note 2, are receivable from Indiana Department of Workforce Development. These receivables are related to Federal grants from or through the U.S. Department of labor. PWS considers these receivables fully collectible and has not experienced any previous losses.

In accordance with Indiana Department of Workforce Development, Inc. policy, every Regional Workforce Board must procure the services of its Regional Operator/Fiscal Agent at a maximum every three years. Currently 99% of PWS's revenue and expense is generated from the contracts in place for Region 2 and Region 3.

**Note 2 Grant and Accounts Receivable**

Grants receivable consists of the following for June 30, 2011:

	2011
Region 2 & 3 Workforce Boards/Indiana	
Dept of Workforce Development	\$2,368,043
Fort Wayne Community Foundation	521,952
Center for Workforce Innovations	1,207
Interlocal Association	12,571
Total	\$2,903,773

**Northeast Indiana Workforce Investment Board, Inc.**  
**d/b/a Partners for Workforce Solutions**

Notes to Financial Statements  
June 30, 2011

**Note 3 Operating Leases**

PWS leases space for the operation of its programs under four operating leases in Region 2 and sixteen leases in Region 3. In Region 3 office relocations resulted in some offices having two leases during the year ended June 30, 2011. The current leases have varying expiration dates. All leases contain a funding out clause. Lease expense for the year ended June 30, 2011 was \$1,235,939. Future minimum lease payments under the operating leases beyond June 30, 2011 are as follows:

June 30, 2012	\$618,659
June 30, 2013	\$415,014
June 30, 2014	\$401,299
June 30, 2015	\$381,565
June 30, 2016	\$377,619

**Note 4 Employee Retirement Plan**

PWS has a 401k plan open to all regular, full-time employees. PWS contributes 3% of the employee's base salary; if the employee contributes 3%, then PWS will match that 3% contribution. PWS contributions for the year ended June 30, 2011 were \$79,837.

**Note 5 Subsequent Events**

Effective July 1, 2011, the Region 3 Regional Workforce Board transitioned to a Workforce Investment Board, which allowed it to request permission from the governor to also become the direct provider of Workforce Investment Act funded services for adults and dislocated workers. As a result of this decision PWS will no longer provide these services as a contracted entity. Additionally, the Region 2 Board directly hired their own staff as well, thus PWS will not operate in Region 2 any longer.

**Note 6 Evaluation of Subsequent Events**

PWS has evaluated subsequent events through March 29, 2012 the date, which the financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

# Northeast Indiana Workforce Investment Board, Inc d/b/a/ PWS

Schedule of Expenditures of Federal Awards and Other Financial Assistance  
For the year ended June 30, 2011

CFDA Number	Grant Number	Program Name	Grantor Agency	Program Period	Expenses
<b>Assistance Programs as Identified in the catalog of federal Domestic Assistance</b>					
<b>Federal Expenditures</b>					
<b>Department of Labor</b>					
17.207	IS 0-02	Integrated Services - WP/DVOP/LVER	IDWD/RWB Region 2	07.01.10-06.30.11	\$ 116,922
17.207	IS 0-03	Integrated Services - WP/DVOP/LVER	IDWD/RWB Region 3	07.01.10-06.30.11	203,243
17.207	BC 0-02	Business Consultant	IDWD/RWB Region 2	07.01.10-06.30.11	50,000
17.207	BC 0-03	Business Consultant	IDWD/RWB Region 3	07.01.10-06.30.11	50,000
17.271	BC 0-02	Business Consultant/WOTC	IDWD/RWB Region 2	07.01.10-06.30.11	20,000
17.271	BC 0-03	Business Consultant/WOTC	IDWD/RWB Region 3	07.01.10-06.30.11	20,000
17.225	IS 0-02	Integrated Services - UI	IDWD/RWB Region 2	07.01.10-06.30.11	143,910
17.225	IS 0-03	Integrated Services - UI	IDWD/RWB Region 3	07.01.10-06.30.11	284,121
17.225		Unemployment Services	IDWD/RWB Region 2	07.01.10-06.30.11	103,213
		<b>Subtotal 17.225</b>			<b>991,409</b>
17.245	TAA 7-03	Trade Adjustment Act	IDWD/RWB Region 3	05.15.08-06.30.11	<b>4,173,537</b>
17.258	RWB 9-02/0-02	WIA Adult	IDWD/RWB Region 2	07.01.09-06.30.11	1,478,868
	RWB 9-03/0-03	WIA Adult	IDWD/RWB Region 3	07.01.09-06.30.11	1,718,032
	ARRA 9-02	ARRA Adult	IDWD/RWB Region 2	07.01.09-06.30.11	344,902
	ARRA 9-03	ARRA Adult	IDWD/RWB Region 3	07.01.09-06.30.11	768,013
	ABE 0-02	ABE Adult	IDWD/RWB Region 2	07.01.10-06.30.11	222,025
	ABE 0-03	ABE Adult	IDWD/RWB Region 3	07.01.10-06.30.11	67,902
		<b>Subtotal 17.258</b>			<b>4,599,742</b>
17.259	RWB 9-02/0-02	WIA Youth	IDWD/RWB Region 2	07.01.09-06.30.11	2,151,167
	RWB 9-03/0-03	WIA Youth	IDWD/RWB Region 3	07.01.09-06.30.11	2,699,791
	SYARRA 9-02/0-01	ARRA Youth	IDWD/RWB Region 2	04.10.10-12.31.10	66,270
	SYARRA 903/0-03	ARRA Youth	IDWD/RWB Region 3	04.10.10-12.31.10	75,681
	JAG 9-02/0-02	Jobs for Americas Graduates	IDWD/RWB Region 2	10.01.10-09.30.11	110,829
	JAG 9-03/0-03	Jobs for Americas Graduates	IDWD/RWB Region 3	10.01.10-09.30.11	113,010
	JAGCD 9-03	Jobs for Americas Graduates	IDWD/RWB Region 3	08.01.09-06.30.11	4,948
		<b>Subtotal 17.259</b>			<b>5,221,696</b>

# Northeast Indiana Workforce Investment Board, Inc d/b/a/ PWS

Schedule of Expenditures of Federal Awards and Other Financial Assistance  
For the year ended June 30, 2011

17.260	RWB 9-02/0-02	WIA Dislocated Worker	IDWD/RWB Region 2	07.01.09-06.30.11	1,680,579
	RWB 9-03/0-03	WIA Dislocated Worker	IDWD/RWB Region 3	07.01.09-06.30.11	2,092,898
	ABE 0-03	ABE Dislocated Worker	IDWD/RWB Region 3	07.01.10-06.30.11	110,788
	ARRA 9-02	ARRA Dislocated Worker	IDWD/RWB Region 2	07.01.09-06.30.11	242,518
	ARRA 9-03	ARRA Dislocated Worker	IDWD/RWB Region 3	07.01.09-06.30.11	760,171
	RROJT 9-02	Rapid Response OJT	IDWD/RWB Region 2	05.13.10-06.30.11	6,631
	RROJT 9-03	Rapid Response OJT	IDWD/RWB Region 3	05.13.10-06.30.11	55,526
	RRARRAOJT 9-02	ARRA Rapid Response OJT	IDWD/RWB Region 2	05.13.10-06.30.11	4,055
	RRARRAOJT 9-03	ARRA Rapid Response OJT	IDWD/RWB Region 3	05.13.10-06.30.11	30,736
	RR 9-02	Rapid Response	IDWD/RWB Region 2	03.01.10-06.30.11	66,390
	RR 9-03	Rapid Response	IDWD/RWB Region 3	06.09.10-06.30.11	400,000
	RR 0-03	Rapid Response - Navistar	IDWD/RWB Region 3	09.23.11-06.30.11	92,850
	BC 0-02	Business Consultant	IDWD/RWB Region 2	07.01.09-06.30.11	10,000
	BC 0-03	Business Consultant	IDWD/RWB Region 3	07.01.09-06.30.11	10,000
	TAAARR 0-02	TAA Rapid Response	IDWD/RWB Region 2	07.01.09-06.30.11	78,451
	TAAARR 0-03	TAA Rapid Response	IDWD/RWB Region 3	07.01.09-06.30.11	94,140
	TAAARRA 0-02	ARRA/TAA Rapid Response	IDWD/RWB Region 2	07.01.09-06.30.11	331,149
	TAAARRA 0-03	ARRA/TAA Rapid Response	IDWD/RWB Region 3	07.01.09-06.30.11	397,380
	RV 0-02	National Emergency RV Workers	IDWD/RWB Region 2	03.26.10-06.30.11	290,058
	RV 0-03	National Emergency RV Workers	IDWD/RWB Region 3	03.26.10-06.30.11	159,237
	DISC 9-02	Discretionary	IDWD/RWB Region 2	02.16.10-08.31.10	215,800
	RROJTARRA 9-02	Rapid Response	IDWD/RWB Region 2	05.13.10-06.30.11	387,495
	RROJTARRA 9-03	Rapid Response	IDWD/RWB Region 3	05.13.10-06.30.11	534,218
	BC 0-02	Business Consultant	IDWD/RWB Region 2	07.01.09-06.30.11	40,000
	BC 0-03	Business Consultant	IDWD/RWB Region 3	07.01.09-06.30.11	40,000
	<b>Subtotal 17.260</b>				<b>8,131,070</b>

**Northeast Indiana Workforce Investment Board, Inc**  
**d/b/a/ PWS**

Schedule of Expenditures of Federal Awards and Other Financial Assistance  
 For the year ended June 30, 2011

17.275	SEOJT 9-02	SEITA	IDWD/RWB Region 2	04.01.10-06.30.11	19,192
	SEOJT 9-03	SEITA	IDWD/RWB Region 3	04.01.10-06.30.11	21,139
	SEITA 9-02	SEITA	IDWD/RWB Region 2	04.01.10-06.30.11	16,466
	SEITA 9-03	SEITA	IDWD/RWB Region 3	04.01.10-06.30.11	25,178
	<b>Subtotal 17.275</b>				<b>81,975</b>
17.261	CAA 9-03	Career Advancement Accounts	IDWD/RWB Region 3	07.01.09-06.30.11	<b>32,268</b>
17.802	PY09-CR-12	Veterans Services	Interlocal Association	07.01.10-06.30.11	61,706
	<b>Total Federal Expenditures</b>				<b>23,293,403</b>

**Non Federal Expenditures**

MOPS 9-02	Major Opportunities	IDWD/RWB Region 2	04.01.11-06.30.11	7,360
MOPS 9-03	Major Opportunities	IDWD/RWB Region 3	04.01.11-06.30.11	7,820
8E-546	TAG	IDWD/RWB Region 2	12.01.08-08.01.10	11,500
N/A	Webmaster Services	Ctr Workforce Innov	07.01.09-06.30.11	7,506
N/A	Talent Innitiative	Community Foundation	07.14.09-07.13.12	3,300,607
N/A	Youth Services	Lincoln Foundation	N/A	150,000
N/A	PWS Unrestricted	N/A	N/A	16,301
	<b>Total Non Federal Expenditures</b>			<b>3,501,094</b>
	<b>Total Program Expenditures</b>			<b>\$ 26,794,497</b>
	<b>Total Federal Expenditures</b>			<b>\$ 23,293,403</b>
	<b>Total Non Federal Expenditures</b>			<b>3,501,094</b>
				<b>\$ 26,794,497</b>

**Northeast Indiana Workforce Investment Board, Inc.**  
d/b/a Partners For Workforce Solutions

Notes to the Schedule of Expenditures of Federal Awards and Other Financial Assistance  
For the Year Ended June 30, 2011

**Basis of Presentation**

This schedule includes the federal grant activity of Northeast Indiana Workforce Investment Board, Inc. d/b/a Partners for Workforce Solutions serving as Regional Operator/Fiscal Agent for the Region 2 and Region 3 Workforce Boards, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Payments to Subrecipients**

Of the federal expenditures presented in the schedule of Expenditures of Federal Awards and Other Financial Assistance, Northeast Indiana Workforce Investment Board, Inc. provided federal awards to one subrecipient in Region 3 as follows:

Federal CFDA Number	Program Title	Amount Provided to Subrecipients
17.259	WIA Youth	<u>\$67,636</u>

**Expenditures by Fiscal Agent For Northern Indiana Workforce Board, Inc.**

Northern Indiana Workforce Board, Inc. had employed a fiscal agent Crowe Horwath, LLP (Crowe) to receive and disburse funds within Region 2 for July and part of August 2010 when the arrangement was terminated with Crowe and PWS became the fiscal agent. During July and August 2010, Crowe, on behalf of Region 2, disbursed \$416,386 of which \$ 26,398 paid for its fiscal agent fees, WIB expenses and other operating costs. The remaining \$389,988 was transferred to PWS for program operations, which have been included in the audited financial statements and the Schedule of Expenditures of Federal Awards.

**Northeast Indiana Workforce Investment Board, Inc.**

d/b/a Partners for Workforce Solutions  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2011

Department of Labor

Finding 2010-01 Bank Reconciliations

Condition: Per the entity's bank reconciliation procedures any checks outstanding past 90 days will be investigated to determine their current status and appropriate next steps are to be taken to assure that the checks voided or reissued, if appropriate. The auditor noted that there were seven checks, totaling \$993 on the June 30, 2010 outstanding check listing that were greater than 90 days old despite being voided in the General Ledger. The auditor noted that the expenses were voided and credited in the subsequent fiscal year rather than in the period in which the expense was recorded. Approval was obtained from the funding source to credit the related expenses in the current because the grants were still active, resulting in no questioned costs.

Recommendation: The auditor recommended that the Fundware accounting software system be investigated to determine if it can be reconfigured to appropriately account for this type of transaction. Alternatively, management may need to implement a step during their monthly bank reconciliations to detect and correct this type of error.

Current Status: There were not any checks outstanding over 90 days that were still outstanding at yearend. All but one of the checks in the previous year that were outstanding over 90 days, became outstanding over 90 days as of June 30, 2010. No similar findings were noted in the 2011 audit.

Finding 2010-02 – Integrity of the Chart of Accounts

Condition: While access to create in the Chart of Accounts is restricted to three individuals, there is no process in place to detect and review creation of new accounts in the Chart of Accounts.

Recommendation: Auditor recommends a monthly review process be implemented by the CFO to detect new accounts and communicate their addition to all required individuals, particularly the IT Consultant and anyone else who creates and edits G/L reports. This process should be documented in the Organization's policies and procedures.

Current Status: There is an approval process in place for new accounts. There were no exceptions noted.



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Indianapolis, Indiana

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS

Board of Directors  
Northeast Indiana Workforce Investment Board, Inc.  
d/b/a Partners for Workforce Solutions

We have audited the basic financial statements of Northeast Indiana Workforce Investment Board, Inc., d/b/a Partners for Workforce Solutions (PWS) (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated March 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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Internal Control over Financial Reporting

In planning and performing our audits, we considered PWS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of PWS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of PWS's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PWS's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dunton & Co., P.C.*

March 29, 2012



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Indianapolis, Indiana

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Northeast Indiana Workforce Investment Board, Inc.  
d/b/a Partners for Workforce Solutions

Compliance

We have audited the compliance of Northeast Indiana Workforce Investment Board, Inc., d/b/a Partners for Workforce Solutions (PWS) (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. PWS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of PWS management. Our responsibility is to express an opinion on PWS's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PWS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of PWS's compliance with those requirements.

In our opinion, Northeast Indiana Workforce Investment Board, Inc., d/b/a Partners for Workforce Solutions complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The management of PWS is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered PWS's internal control over compliance with the requirements that could have a direct and material effect on a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of PWS's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dunton & Co., P.C.*

March 29, 2012

**Northeast Indiana Workforce Investment Board, Inc.**

d/b/a Partners For Workforce Solutions

Schedule of Findings and Questioned Costs

**Section I: Summary of Auditor's Results**

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal control over financial reporting:

Material Weakness identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

**Northeast Indiana Workforce Investment Board, Inc.**

d/b/a Partners For Workforce Solutions

**Schedule of Findings and Questioned Costs**

Identified major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259 & 17.260	Department of Labor, Workforce Investment Act – Cluster
17.245	Department of Labor, Trade Adjustment Act

Dollar threshold used to distinguish between  
Type A and Type B programs: \$698,772

Auditee qualified as a low-risk auditee? No

**Section II: Financial Statement Findings**

None

**Section III: Federal Award Findings and Questioned Costs**

**Findings:** None

**Questioned Costs:** None