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July 27, 2023

Board of Directors
Region 10 Workforce Investment Board, Inc.
PO Box 6712
New Albany, IN 46150

We have reviewed the audit report of Region 10 Workforce Investment Board, Inc., which was opined upon by Comer, Nowling and Associates, PC, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Region 10 Workforce Investment Board, Inc., as of June 30, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

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

Tammy R. White, CPA
Deputy State Examiner

**Region 10 Workforce
Investment Board, Inc.**



**Financial Statements
For the Years Ended
June 30, 2022 and 2021
(With Single Audit Section)**

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Certified Public Accountants

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Region 10 Workforce Investment Board, Inc.
New Albany, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Region 10 Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Region 10 Workforce Investment Board, Inc. as of June 30, 2022 and 2021, and the changes in its net assets 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Region 10 Workforce Investment Board, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Region 10 Workforce Investment Board, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Region 10 Workforce Investment Board, Inc.'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2023 on our consideration of Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

February 22, 2023

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		2022	2021
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 251,650	\$ 168,334
Accounts receivable		361,165	323,966
Prepaid expenses		36,056	32,177
Deposit		<u>11,950</u>	<u>11,950</u>
Total current assets		<u>660,821</u>	<u>536,427</u>
Total assets		<u><u>\$ 660,821</u></u>	<u><u>\$ 536,427</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 175,763	\$ 9,201
Accrued expenses		<u>278,954</u>	<u>225,358</u>
Total current liabilities		<u>454,717</u>	<u>234,559</u>
NET ASSETS:			
Without donor restrictions		49,486	77,365
With donor restrictions		<u>156,618</u>	<u>224,503</u>
Total net assets		<u>206,104</u>	<u>301,868</u>
Total liabilities and net assets		<u><u>\$ 660,821</u></u>	<u><u>\$ 536,427</u></u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Federal grant revenue	\$ 2,401,689	\$ -	\$ 2,401,689	\$ 2,992,815	\$ -	\$ 2,992,815
Other grant revenue	1,060,943	2,700	1,063,643	370,013	165,000	535,013
Miscellaneous income	3,794	-	3,794	8	-	8
Total revenue and support	<u>3,466,426</u>	<u>2,700</u>	<u>3,469,126</u>	<u>3,362,836</u>	<u>165,000</u>	<u>3,527,836</u>
Net assets released from restrictions	<u>70,585</u>	<u>(70,585)</u>	<u>-</u>	<u>23,908</u>	<u>(23,908)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>3,537,011</u>	<u>(67,885)</u>	<u>3,469,126</u>	<u>3,386,744</u>	<u>141,092</u>	<u>3,527,836</u>
EXPENSES						
Program activities	3,231,187	-	3,231,187	3,096,738	-	3,096,738
Management and general	<u>333,703</u>	<u>-</u>	<u>333,703</u>	<u>290,389</u>	<u>-</u>	<u>290,389</u>
Total expenses	<u>3,564,890</u>	<u>-</u>	<u>3,564,890</u>	<u>3,387,127</u>	<u>-</u>	<u>3,387,127</u>
CHANGE IN NET ASSETS	<u>(27,879)</u>	<u>(67,885)</u>	<u>(95,764)</u>	<u>(383)</u>	<u>141,092</u>	<u>140,709</u>
NET ASSETS, BEGINNING OF YEAR	<u>77,365</u>	<u>224,503</u>	<u>301,868</u>	<u>77,748</u>	<u>83,411</u>	<u>161,159</u>
NET ASSETS, END OF YEAR	<u>\$ 49,486</u>	<u>\$ 156,618</u>	<u>\$ 206,104</u>	<u>\$ 77,365</u>	<u>\$ 224,503</u>	<u>\$ 301,868</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>2022 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 268,076	\$ 139,941	\$ 408,017
Employee benefits	136,703	61,820	198,523
Travel	2,075	3,913	5,988
Facility expense	289,990	-	289,990
Communications	4,173	553	4,726
Technology	3,340	-	3,340
Office supplies	19,216	2,986	22,202
Office equipment	6,275	-	6,275
Professional fees	100	114,204	114,304
Liability insurance	-	6,680	6,680
Outreach	87,869	3,606	91,475
Training	503,012	-	503,012
Subcontracted expenses	1,910,358	-	1,910,358
	<u>\$ 3,231,187</u>	<u>\$ 333,703</u>	<u>\$ 3,564,890</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>2021 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 266,788	\$ 103,891	\$ 370,679
Employee benefits	119,924	44,536	164,460
Travel	471	403	874
Facility expense	285,870	-	285,870
Communications	33,763	652	34,415
Technology	15,909	-	15,909
Office supplies	19,399	864	20,263
Office equipment	-	156	156
Professional fees	18,700	128,626	147,326
Liability insurance	5,150	615	5,765
Outreach	89,677	10,646	100,323
Subcontracted expenses	<u>2,241,087</u>	<u>-</u>	<u>2,241,087</u>
Total expenses	<u><u>\$ 3,096,738</u></u>	<u><u>\$ 290,389</u></u>	<u><u>\$ 3,387,127</u></u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (95,764)	\$ 140,709
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Accounts receivable	(37,199)	(140,836)
Prepaid expenses	(3,879)	(1,400)
Accounts payable	166,562	(108,706)
Accrued expenses	53,596	196,654
	83,316	86,421
Net cash provided by (used in) operating activities	83,316	86,421
CASH, BEGINNING OF YEAR	168,334	81,913
CASH, END OF YEAR	\$ 251,650	\$ 168,334

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Region 10 Workforce Investment Board, Inc. (the “Organization”) is an Indiana non-profit corporation comprised of representatives from the private sector, labor, education, economic development and community-based organizations. The Organization provides policy guidance and oversight to the WorkOne system in Indiana’s Region 10 Economic Growth Region. The Region 10 Economic Growth Region includes Clark, Crawford, Floyd, Harrison, Scott and Washington Counties.

The Organization serves as a catalyst to promote collaborative relationships between business, education, labor and service providers to support workforce development efforts and regional economic growth. The majority of the Organization’s financial support is received from federal and state government grants that originate with the U.S. Department of Labor and Indiana Department of Workforce Development.

The Organization’s financial management functions are contracted with Crowe, LLP, a private CPA firm, which serves as the fiscal agent for all funding sources.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting 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. Per the applicable standards, Region 10 Workforce Investment Board, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Region 10 Workforce Investment Board, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Region 10 Workforce Investment Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Region 10 Workforce Investment Board, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

GOVERNMENT GRANTS

Support funded by grants is recognized as the Organization performs the cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. No allowance for uncollectible grants has been recorded. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts required prior to expenditures being incurred are reflected as unearned revenue on the statement of financial position.

CONTRIBUTIONS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions. During the years ended June 30, 2022 and 2021, the Organization received donor restricted contributions in the amounts of \$2,700 and \$165,000, respectively.

CONTRIBUTED SERVICES

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments. The volunteers' time does not meet the requirements for recognition under the Statement of Financial Accounting Standard, *Accounting for Contributions Received and Contributions Made*.

PROPERTY AND EQUIPMENT

As of June 30, 2022 and 2021, all property and equipment acquired by the Organization was purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Expenditures for maintenance and repairs are expensed when incurred.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

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 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.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

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 benefit of all agency programs, which cannot be readily identified with a final cost objective.

The direct allocation method individually allocates indirect costs to functions and programs based on an appropriate base. This method is acceptable provided that the base accurately measures the benefits provided, it is reasonable, and is supported by current data. Cost pools are allocated based on direct costs of each program.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

TAX BENEFITS

Effective July 1, 2009, the Organization adopted the accounting policy to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Currently, the Organization accounts for contingencies as required by the Accounting for Contingencies Topic of the FASB Accounting Standards Codification, which provides the recording of a contingency based on the probability of certain events to transpire that range from probable to remote as opposed to applying a more likely than not recognition threshold.

The Organization has examined this issue and has determined there are no material contingent tax liabilities. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

SUBSEQUENT EVENTS

Subsequent events are evaluated through February 22, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Indiana Department of Workforce Development	\$ 335,162	\$ 303,922
Other receivables	<u>26,003</u>	<u>20,044</u>
Total accounts receivable	<u>\$ 361,165</u>	<u>\$ 323,966</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balance at a bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 and 2021, the Organization had bank balances in excess of FDIC limits by \$1,660 and \$110,633, respectively.

The Organization receives a substantial amount of its support from federal and state governments. A significant reduction of the level of support, if this were to occur, may have a significant effect on the Organization's programs and activities.

Financial awards from federal, state and local governmental entities in the form of grants are subject to financial and compliance audits by funding agencies. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2022 and 2021, the Organization controlled State owned equipment and furniture costing \$7,412 for both years. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

NOTE 5 – NET ASSETS

The restrictions on assets as of June 30, 2022 and 2021 primarily relate to non-federal grants specific assistance to the Organization and its programs, as specified by the donors. Those restrictions are considered to expire when funds are expended.

As of June 30, 2022 and 2021, donor restricted net assets summarized by restriction are as follows:

	<u>2022</u>	<u>2021</u>
Metro United Way Career Launch Program	\$ 63,244	\$ 63,244
Hands Up Scholarship Program	7,989	7,989
GKN	3,000	3,000
Scott County Community Foundation	5,207	5,207
AT&T Aspire Grant	1,757	2,922
Lilly Endowment	-	61,173
CenterPoint Energy Foundation	21,753	30,000
Public Library Foundation	2,700	-
Southern Indiana AMP	50,968	50,968
	<u>\$ 156,618</u>	<u>\$ 224,503</u>

NOTE 6 – EMPLOYEE RETIREMENT PLAN

The Organization has a simple IRA plan open to full-time employees with at least one full year of employment. The Organization matches 100% of the first \$1,500 of the employees' contributions through December 31, 2020. Effective January 1, 2021, the Organization matches 100% of the employees' elective deferral up to 3% of wages annually. The Organization's contributions for the years ended June 30, 2022 and 2021 were \$8,297 and \$7,817, respectively.

NOTE 7 – RELATED-PARTY TRANSACTIONS

There were no related party transactions for the years ended June 30, 2022 and 2021.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 – OPERATING LEASES

The Organization leases space at multiple locations for operation of its programs. Rent expense for the years ended June 30, 2022 and 2021 was \$219,462 and \$214,110, respectively. Future minimum lease payments on non-cancelable leases with terms beyond June 30, 2022, are as follows:

2023	\$	224,816
2024		224,816
2025		224,816
2026		224,816
2027		112,408
Thereafter		<u>-</u>
Total		<u><u>\$ 1,011,672</u></u>

NOTE 9 – INFORMATION ABOUT LIQUIDITY

The Organization receives its funding through cost-reimbursement awards from governmental agencies. Since all allowable grant expenditures are reimbursed, the Organization has minimal net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2022 and 2021, financial assets available for cash needs of general expenditures within one year are \$456,197 and \$267,797, respectively after excluding donor restricted assets.

SUPPLEMENTARY INFORMATION

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal Assistance Listing	Federal Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (PY20 Program)	17.258	WIOA 2010	269,001	\$ 151,843	\$ 104,998
WIOA Adult Program (PY21 Program)	17.258	WIOA 2110	378,065	109,642	35,060
WIOA Adult Program (PY21 Admin)	17.258	WIOA 2110	42,007	31,947	-
WIOA Adult Program	17.258	PSG2110	385,000	39,502	-
				<u>332,934</u>	<u>140,058</u>
WIOA Youth Activities (PY20 Program)	17.259	WIOA 2010	269,591	44,701	35,354
WIOA Youth Activities (PY20 Admin)	17.259	WIOA 2010	29,955	29,955	-
WIOA Youth Activities (PY21 Program)	17.259	WIOA 2110	406,959	395,085	250,613
WIOA Youth Activities (PY21 Admin)	17.259	WIOA 2110	45,217	24,324	-
				<u>494,065</u>	<u>285,967</u>
WIOA Dislocated Worker Formula Grants (PY20 Program)	17.278	WIOA 2010	425,508	353,567	230,765
WIOA Dislocated Worker Formula Grants (PY20 Admin)	17.278	WIOA 2010	47,278	13,002	-
WIOA Dislocated Worker Formula Grants (PY21 Program)	17.278	WIOA 2110	501,841	49,914	28,470
WIOA Dislocated Worker Formula Grants (PY21 Admin)	17.278	WIOA 2110	55,760	50,971	-
WIOA Dislocated Worker Formula Grants - COVID-19	17.278	RRCOVID2110	42,712	10,878	12,635
				<u>478,332</u>	<u>271,870</u>
Subtotal for WIOA Cluster passed through DWD				<u>1,305,331</u>	<u>697,895</u>
WIOA National Dislocated Worker Formula Grants					
WIOA National Dislocated Worker Formula Grants	17.277	DWOP910	873,121	168,598	83,240
WIOA National Dislocated Worker Formula Grants - COVID-19	17.277	ERCOVID	667,755	167,220	122,335
WIOA National Dislocated Worker Formula Grants - COVID-19	17.277	DRCOVID	310,120	52,260	38,211
				<u>388,078</u>	<u>243,786</u>
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 2110	95,266	92,352	15,051
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2010	120,000	8,650	-
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2110	120,000	120,000	-
				<u>221,002</u>	<u>15,051</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 2110	25,911	25,119	4,094
				<u>25,119</u>	<u>4,094</u>
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 2110	12,762	12,372	2,016
				<u>12,372</u>	<u>2,016</u>
Subtotal for Employment Service Cluster passed through DWD				<u>258,493</u>	<u>21,161</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal Assistance Listing	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor - (continued)					
Indiana Department of Workforce Development ("DWD")					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2010	287,500	\$ 174,988	\$ 142,902
Unemployment Insurance Recovery	17.225	RESEA 2110	268,000	76,433	56,827
Subtotal for Unemployment Insurance Recovery				251,421	199,729
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	IFA 2110	20,755	20,120	3,279
Subtotal for Trade Adjustment Assistance				20,120	3,279
H-1B Jobs Training Grants					
Jobs Training Grant	17.268	H-1B	242,500	33,679	30,530
Subtotal for H1-B Jobs Training Grants				33,679	30,530
Apprenticeship USA Expansion and Innovation Grants					
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI 2010	100,000	1,075	700
				1,075	700
Total for U.S. Department of Labor				2,258,197	1,197,080
U.S. Department of Education					
Indiana Department of Workforce Development ("DWD")					
Vocational Rehabilitation Grant	84.126A	Pre-ETS 2110	73,600	41,694	41,694
Total for U.S. Department of Education				41,694	41,694
U.S. Department of Treasury					
Indiana Department of Workforce Development ("DWD")					
Coronavirus Relief Fund - COVID-19	21.019	WRGCARES2110	251,000	101,798	82,402
Total for U.S. Department of Treasury				101,798	82,402
Total Expenditures of Federal Awards				\$ 2,401,689	\$ 1,321,176

See accompanying Notes to the Schedule of Expenditures of Federal Awards

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Region 10 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Region 10 Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Region 10 Workforce Investment Board, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

Region 10 Workforce Investment Board, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	State and Local Awards (in dollars \$)	State and Local Expended
Indiana Department of Workforce Development:			
Jobs for America's Graduates	JAG 2010	256,534	\$ 168,727
Jobs for America's Graduates	JAG 2110	293,748	181,647
Strata JAG	SJAG-910	118,750	53,278
DWD IFA Partners	IFA 2110		7,038
Jobs for Hoosiers	PSG 2110	22,500	4,400
Workforce Ready	WRG 2110	470,000	125,069
Next Level Jobs - Employer Training Grants	NLJETG 2110	970,000	518,367
Total Expenditures of State and Local Awards			\$ 1,058,526

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2021.

Section III – Federal Awards Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2021.



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**INDEPENDENT AUDITOR'S 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***

To the Board of Directors
Region 10 Workforce Investment Board, Inc.
New Albany, Indiana

We have audited, 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, the financial statements of Region 10 Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon February 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region 10 Workforce Investment Board, Inc.'s financial statements are free of material misstatement, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

February 22, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Directors
Region 10 Workforce Investment Board, Inc.
New Albany, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Region 10 Workforce Investment Board, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Region 10 Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2022. Region 10 Workforce Investment Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Region 10 Workforce Investment Board, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Region 10 Workforce Investment Board, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Region 10 Workforce Investment Board, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Region 10 Workforce Investment Board, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Region 10 Workforce Investment Board, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Region 10 Workforce Investment Board, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Region 10 Workforce Investment Board, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Region 10 Workforce Investment Board, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

February 22, 2023

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in Accordance with 2 CFR section 200.516(a) Yes No

Program tested as major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
17.258 *	U.S. Dept. of Labor – WIOA Adult Program
17.259 *	U.S. Dept. of Labor – WIOA Youth Activities
17.278 *	U.S. Dept. of Labor – WIOA Dislocated Worker Formula Grants
17.277	U.S. Dept. of Labor – WIOA National Dislocated Worker Grants

* Represents cluster

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes No

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)
FOR THE YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

There were no financial statement findings for the current year ended June 30, 2022.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the current year ended June 30, 2022.