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STATE BOARD OF ACCOUNTS
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August 31, 2023

Board of Directors
Indiana Region 9 Workforce Board, Inc.
d/b/a Southeast Indiana Workforce Investment Board, Inc.
4555 Central Avenue
Columbus, IN 47203

We have reviewed the audit report of Indiana Region 9 Workforce Board, Inc. d/b/a Southeast Indiana Workforce Investment Board Inc., which was opined upon by Comer, Nowling & Associates, PC, Independent Public Accountants, 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 Indiana Region 9 Workforce Board, Inc. d/b/a Southeast Indiana 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, Comer, Nowling & Associates, PC prepared the audit report 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

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



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

COMER  NOWLING

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Certified Public Accountants

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast Indiana Workforce Investment Board, Inc.
Columbus, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Southeast Indiana 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 Southeast Indiana 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 the Southeast Indiana 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 the Southeast Indiana 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 the Southeast Indiana 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 the Southeast Indiana 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 24, 2023 on our consideration of the Southeast Indiana 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 the Southeast Indiana 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 the Southeast Indiana 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 24, 2023

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		2022	2021
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 598,776	\$ 69,843
Accounts receivable		1,068	1,068
Grants receivable		521,893	304,693
Prepaid expenses		14,693	16,325
	Total current assets	<u>1,136,430</u>	<u>391,929</u>
	Total assets	<u><u>\$ 1,136,430</u></u>	<u><u>\$ 391,929</u></u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 388,888	\$ 6,938
Accrued expenses		569,087	259,935
	Total current liabilities	<u>957,975</u>	<u>266,873</u>
NET ASSETS:			
Without donor restrictions		24,237	26,411
With donor restrictions		154,218	98,645
	Total net assets	<u>178,455</u>	<u>125,056</u>
	Total liabilities and net assets	<u><u>\$ 1,136,430</u></u>	<u><u>\$ 391,929</u></u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA 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	\$ 2,892,277	\$ -	\$ 2,892,277	\$ 2,604,671	\$ -	\$ 2,604,671
Other grant revenue	1,514,229	187,500	1,701,729	533,532	75,000	608,532
Total revenue and support	4,406,506	187,500	4,594,006	3,138,203	75,000	3,213,203
Net assets released from restrictions	131,927	(131,927)	-	48,577	(48,577)	-
Total revenue, support and net assets released from restrictions	4,538,433	55,573	4,594,006	3,186,780	26,423	3,213,203
EXPENSES						
Program activities	4,294,181	-	4,294,181	2,938,930	-	2,938,930
Management and general	246,426	-	246,426	248,229	-	248,229
Total expenses	4,540,607	-	4,540,607	3,187,159	-	3,187,159
CHANGE IN NET ASSETS	(2,174)	55,573	53,399	(379)	26,423	26,044
NET ASSETS, BEGINNING OF YEAR	26,411	98,645	125,056	26,790	72,222	99,012
NET ASSETS, END OF YEAR	<u>\$ 24,237</u>	<u>\$ 154,218</u>	<u>\$ 178,455</u>	<u>\$ 26,411</u>	<u>\$ 98,645</u>	<u>\$ 125,056</u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA 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	\$ 146,721	\$ 100,302	\$ 247,023
Benefits and taxes	46,202	28,644	74,846
Travel	6,069	3,806	9,875
Facility expense	162,717	-	162,717
Communications	14,989	165	15,154
Office supplies	1,726	1,208	2,934
Office equipment	8,682	-	8,682
Professional fees	12,001	93,764	105,765
Liability insurance	-	9,641	9,641
Outreach	34,994	8,896	43,890
Sub-contractor expenses	<u>3,860,080</u>	<u>-</u>	<u>3,860,080</u>
 Total expenses	 <u>\$ 4,294,181</u>	 <u>\$ 246,426</u>	 <u>\$ 4,540,607</u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA 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	\$ 138,968	\$ 97,114	\$ 236,082
Benefits and taxes	38,493	22,770	61,263
Travel	1,767	1,352	3,119
Facility expense	225,821	366	226,187
Communications	14,894	2,572	17,466
Office supplies	3,931	1,285	5,216
Office equipment	3,360	-	3,360
Professional fees	-	105,000	105,000
Liability insurance	-	7,239	7,239
Outreach	18,691	10,531	29,222
Sub-contractor expenses	<u>2,493,005</u>	<u>-</u>	<u>2,493,005</u>
 Total expenses	 <u>\$ 2,938,930</u>	 <u>\$ 248,229</u>	 <u>\$ 3,187,159</u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA 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	\$ 53,399	\$ 26,044
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Grants receivable	(217,200)	(6,202)
Prepaid expenses	1,632	457
Accounts payable	381,950	(236,563)
Accrued expenses	309,152	213,904
	528,933	(3,428)
Net cash provided by (used in) operating activities		
	528,933	(3,428)
CASH, BEGINNING OF YEAR	69,843	73,271
CASH, END OF YEAR	\$ 598,776	\$ 69,843

See accompanying notes to financial statements.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Southeast Indiana 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 9 Economic Growth Region. The Region 9 Economic Growth Region includes Bartholomew, Dearborn, Decatur, Franklin, Jackson, Jefferson, Jennings, Ohio, Ripley and Switzerland.

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, L.L.P., 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, Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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.

SOUTHEAST INDIANA 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. The Organization did not receive contributions during the years ended June 30, 2022 and 2021.

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.

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.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

USE OF ESTIMATES – (continued)

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.

The Organization has examined this issue and has determined there are no material contingent tax liabilities at June 30, 2022 and 2021. 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.

SUBSEQUENT EVENTS

Subsequent events are evaluated by management through February 24, 2023, which is the date the financial statements were available to be issued.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 – GRANTS RECEIVABLE

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

	<u>2022</u>	<u>2021</u>
Indiana Department of Workforce Development	<u>\$ 521,893</u>	<u>\$ 304,693</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains a cash balance at a single bank. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2022 and 2021. At June 30, 2022 and 2021, the Organization had no bank balances in excess of FDIC coverage.

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.

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2022 and 2021, the Organization controlled State owned equipment and furniture costing \$79,220 and \$79,220, respectively. 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.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 – NET ASSETS

The restrictions on assets as of June 30, 2022 and 2021 relate to non-federal grants for donor specific assistance to the Organization and its programs. Those restrictions are considered to expire when specific payments made for the purpose of the donor grants are incurred.

As of June 30, 2022 and 2021, net assets with donor restrictions for grants with specific donor purposes are:

	<u>2022</u>	<u>2021</u>
Duke Energy Foundation Grant	\$ 9,390	\$ 250
United Way of Franklin County	(517)	(517)
JAG Lawrenceburg	13,252	3,252
JAG - Brownstown	28,730	10,000
JAG - Batesville	83,363	-
JAG - Madison	10,000	-
JAG - Jennings	10,000	-
JAG - Seymour	-	5,000
	<u>\$ 154,218</u>	<u>\$ 17,985</u>

NOTE 6 – OPERATING LEASES

The Organization leases space for operation of its programs. Most leases are on a month-to-month basis. Rent expense for the years ended June 30, 2022 and 2021, was \$137,565 and \$162,803, respectively.

Future minimum lease payments on leases with terms beyond June 30, 2022, are as follows:

	<u>Amount</u>
2023	\$ 154,215
2024	49,800
2025	38,700
2026	-
2027	-
Thereafter	-
	<u>\$ 242,715</u>

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 – RELATED PARTIES

The Organization has previously obtained services from related parties for service provider expenses, training, and annual membership fees. Of these related parties, all represented companies or organizations affiliated with board members. During the years ended June 30, 2022 and 2021, these organizations were paid rent of \$-0- and \$27,312, respectively.

NOTE 8 – 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 \$1,120,670 and \$374,537, respectively.

SUPPLEMENTARY INFORMATION

SOUTHEAST INDIANA 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 Awards (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development (DWD)					
Workforce Investment Act (WIOA) Cluster					
WIOA Adult Program (PY20 Program)	17.258	WIOA 2009	275,122	\$ 71,500	\$ 50,139
WIOA Adult Program (PY21 Program)	17.258	WIOA 2109	393,530	211,702	159,781
WIOA Adult Program (PY21 Admin)	17.258	WIOA 2109	43,725	27,497	-
WIOA Adult Program PSG	17.258	PSG 2109	467,500	189,497	181,050
				<u>500,196</u>	<u>390,970</u>
WIOA Youth Activities (PY20 Program)	17.259	WIOA 2009	284,679	67,968	47,232
WIOA Youth Activities (PY20 Admin)	17.259	WIOA 2009	31,631	9,040	-
WIOA Youth Activities (PY21 Program)	17.259	WIOA 2109	424,580	323,322	246,575
WIOA Youth Activities (PY210 Admin)	17.259	WIOA 2109	47,176	21,073	-
				<u>421,403</u>	<u>293,807</u>
WIOA Dislocated Worker Formula Grants (PY20 Program)	17.278	WIOA 2009	337,403	84,253	58,979
WIOA Dislocated Worker Formula Grants (PY20 Admin)	17.278	WIOA 2009	37,489	14,898	-
WIOA Dislocated Worker Formula Grants (PY21 Program)	17.278	WIOA 2109	407,245	243,032	192,196
WIOA Dislocated Worker Formula Grants (PY21 Admin)	17.278	WIOA 2109	45,249	23,358	-
WIOA Dislocated Worker Formula Grants - COVID 19	17.278	RRCOVID 2109	100,000	95,098	85,206
				<u>460,639</u>	<u>336,381</u>
				<u>1,382,238</u>	<u>1,021,158</u>
Subtotal for WIOA Cluster passed through DWD					
WIOA National Dislocated Workers - Disaster Recovery					
WIOA National Dislocated Worker Grant - COVID-19	17.277	DRCOVID2009	460,250	131,239	122,704
WIOA National Dislocated Worker Grant - COVID-19	17.277	ERCOVID2009	462,931	164,515	149,910
WIOA National Dislocated Worker Grant	17.277	DWDOP909	1,000,806	304,236	205,812
				<u>599,990</u>	<u>478,426</u>
Subtotal for WIOA National Dislocated Worker Disaster Recovery passed through DWD					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2009	120,000	15,778	15,778
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2109	120,000	120,000	120,000
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 2109	54,146	52,065	16,056
				<u>187,843</u>	<u>151,834</u>
Disabled Veterans' Outreach Program (DVOP)					
Disabled Veterans' Outreach Program (DVOP)	17.801	IFA 2109	18,797	16,520	5,574
				<u>16,520</u>	<u>5,574</u>
Local Veterans' Employment Representative (LVER)					
Local Veterans' Employment Representative (LVER)	17.804	IFA 2109	6,266	5,507	1,858
				<u>5,507</u>	<u>1,858</u>
Subtotal for Employment Service Cluster passed through DWD					
				<u>209,870</u>	<u>159,266</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal Assistance Listing	Grant Identifying Number	Federal Awards (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor (continued)					
Indiana Department of Workforce Development (DWD) (continued)					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2009	272,500	\$ 109,912	\$ 91,034
Unemployment Insurance Recovery	17.225	RESEA 2109	253,000	104,447	93,205
Subtotal Unemployment Insurance Recovery				214,359	184,239
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	IFA 2109	5,098	4,480	1,512
				4,480	1,512
Apprenticeship USA Expansion and Innovation Grants					
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI2008	170,000	102,429	97,000
				102,429	97,000
Passed through Tecumseh Area Partnership					
H-1B Jobs Training Grant					
	17.268	H-1B	242,500	121,110	113,157
				121,110	113,157
Total for U.S. Department of Labor				2,634,476	2,054,758
U.S. Department of Education					
Indiana Department of Workforce Development (DWD)					
Vocational Rehabilitation					
	84.126A	PETS 2109	252,377	169,663	169,663
Total for U.S. Department of Education				169,663	169,663
U.S. Department of Treasury					
Indiana Department of Workforce Development ("DWD")					
Coronavirus Relief Fund					
Coronavirus Relief Fund - COVID 19	21.019	WRGCARES2109	197,988	88,138	74,817
Total for U.S. Department of Treasury				88,138	74,817
Total passed through DWD				2,601,504	2,016,418
Total Expenditures of Federal Awards				\$ 2,892,277	\$ 2,299,238

See accompanying notes to Schedule of Expenditures of Federal Awards.

SOUTHEAST INDIANA 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 Southeast Indiana Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this 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 Southeast Indiana Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Southeast Indiana 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

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

**SOUTHEAST INDIANA 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:			
WIOA Performance Support	PSG 2109	10,000	\$ 10,000
Next Level Jobs Employer Training Grant	NLJETG2109	2,347,076	950,052
Jobs for America's Graduates	JAG 2009	294,116	109,802
Jobs for America's Graduates	JAG 2109	311,477	309,619
Strata JAG	SJAG 9-09	<u>118,750</u>	<u>67,666</u>
Total Expenditures of State and Local Awards			<u><u>\$ 1,447,139</u></u>

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT 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
Southeast Indiana Workforce Investment Board, Inc.
Columbus, 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 the Southeast Indiana 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 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeast Indiana 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 the Southeast Indiana 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, that 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 Southeast Indiana 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 24, 2023



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

To the Board of Directors
Southeast Indiana Workforce Investment Board, Inc.
Columbus, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southeast Indiana 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 Southeast Indiana Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2022. Southeast Indiana 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, Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 Southeast Indiana 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 24, 2023

**SOUTHEAST INDIANA 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>Federal Assistance Listing</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 – WIA/WIOA Dislocated Worker Formula Grants
17.277	U.S. Dept. of Labor – WIOA National Dislocated Worker Grants

**Represents WIOA Cluster*

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

Auditee qualified as low-risk auditee? Yes No

**SOUTHEAST INDIANA 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.