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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 5, 2023

Board of Directors
Northern Indiana Workforce Board, Inc.
600 E. Carmel Drive, Suite 145
Carmel, IN 46032

We have reviewed the audit report of Northern Indiana Workforce Board, Inc., which was opined upon by Comer, Nowling and 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 Northern Indiana Workforce 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.

We call your attention to the findings included in the report on pages 28 through 31. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears at the end of each finding.

In our opinion, Comer, Nowling and Associates, PC, prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

The 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

**Northern Indiana
Workforce Board, Inc.**



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

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INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

NORTHERN INDIANA WORKFORCE BOARD, INC.

**FINANCIAL STATEMENTS
June 30, 2022 and 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Northern Indiana Workforce Board, Inc.
South Bend, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 August 14, 2023 on our consideration of Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce Board, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
August 14, 2023

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

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash	\$ 895,016	\$ 859,368
Accounts receivable	8,479	541
Grants receivable	771,420	524,734
Contributions receivable	50,000	100,000
Prepaid expenses	33,263	34,140
Total current assets	1,758,178	1,518,783
Total assets	\$ 1,758,178	\$ 1,518,783

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 858,930	\$ 569,095
Accrued expenses	316,819	409,230
Refundable advances	367,217	167,248
Total current liabilities	1,542,966	1,145,573
NET ASSETS		
Without donor restrictions	5,065	129,420
With donor restrictions	210,147	243,790
Total net assets	215,212	373,210
Total liabilities and net assets	\$ 1,758,178	\$ 1,518,783

See accompanying notes to financial statements.

NORTHERN INDIANA WORKFORCE BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>
REVENUE			
Federal grant revenue	\$ 5,149,370	\$ -	\$ 5,149,370
Other grant revenue	1,799,679	77,000	1,876,679
Other income	151,667	-	151,667
	<u>7,100,716</u>	<u>77,000</u>	<u>7,177,716</u>
Net assets released from restrictions	<u>110,643</u>	<u>(110,643)</u>	<u>-</u>
Total revenue	<u>7,211,359</u>	<u>(33,643)</u>	<u>7,177,716</u>
EXPENSES			
Program activities	6,829,399	-	6,829,399
Management and general	506,315	-	506,315
Total expenses	<u>7,335,714</u>	<u>-</u>	<u>7,335,714</u>
CHANGE IN NET ASSETS	<u>(124,355)</u>	<u>(33,643)</u>	<u>(157,998)</u>
NET ASSETS, BEGINNING	<u>129,420</u>	<u>243,790</u>	<u>373,210</u>
NET ASSETS, ENDING	<u>\$ 5,065</u>	<u>\$ 210,147</u>	<u>\$ 215,212</u>

See accompanying notes to financial statements.

NORTHERN INDIANA WORKFORCE BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Totals</u>
REVENUE			
Federal grant revenue	\$ 5,171,800	\$ -	\$ 5,171,800
Other grant revenue	795,985	171,000	966,985
Other income	48,574	-	48,574
	<u>6,016,359</u>	<u>171,000</u>	<u>6,187,359</u>
Net assets released from restrictions	<u>133,488</u>	<u>(133,488)</u>	<u>-</u>
Total revenue	<u>6,149,847</u>	<u>37,512</u>	<u>6,187,359</u>
EXPENSES			
Program activities	5,866,795	-	5,866,795
Management and general	314,559	-	314,559
Total expenses	<u>6,181,354</u>	<u>-</u>	<u>6,181,354</u>
CHANGE IN NET ASSETS	<u>(31,507)</u>	<u>37,512</u>	<u>6,005</u>
NET ASSETS, BEGINNING	<u>160,927</u>	<u>206,278</u>	<u>367,205</u>
NET ASSETS, ENDING	<u>\$ 129,420</u>	<u>\$ 243,790</u>	<u>\$ 373,210</u>

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>2022 Total</u>
OPERATING EXPENSES			
Salaries and taxes	\$ 2,817,366	\$ 407,936	\$ 3,225,302
Employee benefits	295,502	53,149	348,651
Travel, training and meetings	47,288	3,855	51,143
Communications	29,143	1,172	30,315
Rent and occupancy	166,790	216	167,006
Office supplies and postage	15,262	1,927	17,189
Office equipment	38,839	1	38,840
Professional fees	143,558	20,832	164,390
Other expenses	106,250	303	106,553
Other program expenses	2,770,778	29	2,770,807
Subcontractor expense	398,623	16,895	415,518
	<u> </u>	<u> </u>	<u> </u>
Total operating expenses	<u>\$ 6,829,399</u>	<u>\$ 506,315</u>	<u>\$ 7,335,714</u>

See accompanying notes to financial statements.

NORTHERN INDIANA WORKFORCE BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>2021 Total</u>
OPERATING EXPENSES			
Salaries and taxes	\$ 2,571,123	\$ 244,935	\$ 2,816,058
Employee benefits	93,277	49,059	142,336
Travel, training and meetings	8,445	-	8,445
Communications	28,789	159	28,948
Rent and occupancy	139,494	-	139,494
Office supplies and postage	12,483	1,858	14,341
Office equipment	9,499	10	9,509
Professional fees	210,668	17,638	228,306
Other expenses	105,435	272	105,707
Other program expenses	2,154,441	-	2,154,441
Subcontractor expense	533,141	628	533,769
	<u>533,141</u>	<u>628</u>	<u>533,769</u>
Total operating expenses	<u>\$ 5,866,795</u>	<u>\$ 314,559</u>	<u>\$ 6,181,354</u>

See accompanying notes to financial statements.

NORTHERN INDIANA WORKFORCE 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	\$ (157,998)	\$ 6,005
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	(246,686)	(247,326)
Contributions receivable	50,000	50,000
Accounts receivable	(7,938)	394
Prepaid expenses	877	(19,677)
Accounts payable	289,835	120,892
Accrued expenses	(92,411)	277,021
Refundable advances	199,969	167,248
	35,648	354,557
Net cash provided by (used in) operating activities	35,648	354,557
CASH, BEGINNING OF YEAR	859,368	504,811
CASH, END OF YEAR	\$ 895,016	\$ 859,368

See accompanying notes to financial statements.

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Northern Indiana Workforce 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 addresses workforce issues for Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph counties.

Prior to July 2011, the Organization operated as a Regional Workforce Board. Subsequent to June 2011, the Organization operates as a Workforce Investment Board (WIB) after approving the structure change by the Northern Indiana Workforce Board.

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, Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Northern Indiana Workforce 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.

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Joint Costs (including program and administrative costs) are charged / allocated to programs, grants, and contracts using a base that is most appropriate to those particular costs. Costs that are program related but cannot be directly linked to a grant are charged to a program pool and allocated as a percentage of direct costs. Costs that are administrative are recorded in an administrative pool and allocated as a percentage of direct costs. Costs shared between administrative and program are charged to a split cost pool which are allocated pro-ratably based on the administrative and program cost pools.

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under 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.

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.

GOVERNMENT GRANTS

Support funded by reimbursable grants is recognized as eligible expenses are incurred. 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 received prior to expenditures being incurred are reflected as unearned revenue in the statement of financial position.

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

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 as defined by the *Accounting for Contributions Received and Contributions Made* topic of the FASB Accounting Standards Codification.

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).

Effective July 1, 2011, 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 as required by the Income Taxes Topic of the FASB Accounting Standards Codification. 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 files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the Organization is generally no longer subject to examination by taxing authorities for fiscal years before June 30, 2019.

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.

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE 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.

SUBSEQUENT EVENTS

Subsequent events are evaluated through August 14, 2023, which is the date the financial statements were available to be issued.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this guidance will have on the financial statements.

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	\$ 703,345	\$ 487,025
Senior Service America	50,932	37,709
Other	17,143	-
	<u>\$ 771,420</u>	<u>\$ 524,734</u>

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 – STATE OWNED PROPERTY AND EQUIPMENT

During the year ended June 30, 2016, the Indiana Department of Workforce development changed its policies regarding reporting and tracking of State-owned equipment and furniture, increasing the value of assets required to be recorded and reported from \$500 to \$5,000. As of June 30, 2022 and 2021, the Organization controlled State owned equipment and furniture costing \$988,368 and \$988,368, 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.

NOTE 4 – 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. At times throughout the year, the balance in this account may exceed \$250,000. As of June 30, 2022 and 2021, the Organization had uninsured cash deposits of \$788,847 and \$689,321, 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.

NOTE 5 – OPERATING LEASES

The Organization leases multiple facilities for the operation of its programs. Rent expense for the, years ended June 30, 2022 and 2021 was \$167,006 and \$139,266, respectively. Future minimum lease payments, including subleased space on leases having non-cancelable terms beyond June 30, 2022 are as follows:

2023	\$	167,813
2024		165,134
2025		169,585
2026		174,170
2027		178,892
Thereafter		-
	<u>\$</u>	<u>855,594</u>

NORTHERN INDIANA WORKFORCE BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 – EMPLOYEE RETIREMENT PLAN

The Organization has a safe harbor 401(k) plan open to full time employees following the end of their introductory period. The Organization matches 100% of the first 4% of the employees' contributions. The Organization's contributions for the years ended June 30, 2022 and 2021 were \$29,656 and \$28,010, respectively.

NOTE 7 – NET ASSETS RESTRICTED BY DONORS

As of June 30, 2022 net assets restricted by donors are as follows:

	<u>2022</u>	<u>2021</u>
Time restricted:	\$ 50,000	\$ 100,000
Purpose restricted:		
At-risk youth population	115,404	79,128
Lift	44,743	-
Youth affected by COVID-19	-	64,662
	<u>\$ 210,147</u>	<u>\$ 243,790</u>

NOTE 8 – INFORMATION ABOUT LIQUIDITY

The Organization's main funding sources are cost reimbursement government grants. Liquid assets include cash and receivables. There are no board designations regarding these assets. Assets restricted by donors as discussed in Note 7 are not available for general expenditure within the next year. The following represents financial assets available for cash needs for general expenditures within one year:

	<u>2022</u>	<u>2021</u>
Cash	\$ 895,016	\$ 859,368
Accounts receivable	8,479	541
Grants receivable net of refundable advance:	404,203	357,486
Contributions receivable	50,000	100,000
Total financial assets	1,357,698	1,317,395
Less amounts due back to State	(70,657)	-
Less refundable advances	(367,217)	(167,248)
Less donor restricted	(210,147)	(243,790)
Financial assets available for cash needs for general expenditures within one year	<u>\$ 709,677</u>	<u>\$ 906,357</u>

SUPPLEMENTARY INFORMATION

NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR AGENCY Pass-through Agency Program Title	Federal Assistance Listing	Grant or Identifying Number	Federal Awards (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF LABOR				
Passed through the Indiana Department of Workforce Development				
Workforce Investment Act (WIOA) Cluster:				
WIOA Adult Program	17.258	WIOA2002	670,521	\$ 310,999
WIOA Adult Program	17.258	WIOA2102	955,955	259,918
				570,917
WIOA Youth Program	17.259	WIOA2002	759,478	484,511
WIOA Youth Program	17.259	WIOA2102	1,040,428	480,669
WIOA Support Grant	17.259	PSG2102	278,300	1,251
				966,431
WIOA Dislocated Worker	17.278	RRCOVID2102	100,000	100,000
WIOA Dislocated Worker	17.278	WIOA2002	855,226	615,017
WIOA Dislocated Worker	17.278	WIOA2102	965,164	-
				715,017
Sub-total for WIOA Cluster				2,252,365
Employer Service - Wagner Peyser	17.207	BC2002	120,000	18,732
Employer Service - Wagner Peyser	17.207	BC2102	120,000	120,000
Sub-total for Employment Service Cluster				138,732
Re-Employment Services and Eligibility (UI)	17.225	RESEA2002	469,750	256,168
Re-Employment Services and Eligibility (UI)	17.225	RESEA2102	450,000	400,232
				656,400
National Dislocated Worker Grants	17.277	ERCOVID2002	483,327	120,537
National Dislocated Worker Grants	17.277	DRCOVID2002	252,500	31,845
				152,382
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI2002	2,401,219	12,661
Total passed through Indiana Department of Workforce Development				3,212,540
Passed through Tecumseh Area Partnership				
H-1B Job Training - Rural Healthcare	17.268	RHG-602-20	250,000	45,941
Passed through Senior services America, Inc.				
Senior Community Service Employment Program PY18)	17.235	328	673,270	483,259
Total U.S. Department of Labor				3,741,740

See accompanying notes to Schedule of Expenditures of Federal Awards

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

FEDERAL GRANTOR AGENCY	Federal	Grant or	Federal	
Pass-through Agency	Assistance	Identifying	Awards	Federal
Program Title	Listing	Number	(in dollars \$)	Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed through the Indiana Department of Workforce Development				
Vocational Rehabilitation Grant	84.126A	PRETS902	115,240	\$ 21,931
Vocational Rehabilitation Grant	84.126A	PRETS2002	120,000	104,912
Vocational Rehabilitation Grant	84.126	PRETS2102	220,000	<u>120,000</u>
Total U.S. Department of Education				<u>246,843</u>
U.S. DEPARTMENT OF TREASURY				
Passed through the Indiana Department of Workforce Development				
Coronavirus Relief Fund	21.019	WRGCARES-RR2102	2,401,219	<u>1,160,787</u>
Total U.S. Department of Treasury				<u>1,160,787</u>
Total Expenditures of Federal Awards				<u>\$ 5,149,370</u>

NORTHERN INDIANA WORKFORCE 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 includes the federal grant activity of Northern Indiana Workforce Board, Inc. and 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule of Expenditures of Federal Awards 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

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

**NORTHERN INDIANA WORKFORCE 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 American Graduates	JAG2002	588,023	\$ 173,448
Jobs for American Graduates	JAG2102	504,950	460,766
Next Level Jobs	NLJET2102	2,104,461	767,894
Workforce Ready	WRG2102	900,000	<u>413,144</u>
Total Expenditures of State and Local Awards			<u><u>\$ 1,815,252</u></u>

**NORTHERN INDIANA WORKFORCE BOARD, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**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
Northern Indiana Workforce Board, Inc.
South Bend, 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 Northern Indiana Workforce 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 August 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Northern Indiana Workforce 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 Northern Indiana Workforce 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Indiana Workforce 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-002.

Northern Indiana Workforce Board, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Northern Indiana Workforce Board, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Northern Indiana Workforce Board, Inc. response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

August 14, 2023



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**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
Northern Indiana Workforce Board, Inc.
South Bend, Indiana

Report on Compliance for Each Major Federal Program

Qualified Opinions

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

***Qualified Opinion on Department of Labor WIOA Cluster and Department of Treasury
Coronavirus Relief Fund***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Northern Indiana Workforce Board, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on WIOA cluster and Coronavirus Relief Fund for the year ended June 30, 2022.

Basis for Qualified Opinions

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 Northern Indiana Workforce 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 qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northern Indiana Workforce Board, Inc.'s compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Department of Labor WIOA Cluster and Department of Treasury Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, Northern Indiana Workforce Board, Inc. did not comply with requirements regarding The Department of Labor WIOA Cluster and Department of Treasury Coronavirus Relief Fund as described in finding number 2022-003 and 2022-004.

Compliance with such requirements is necessary, in our opinion, for Northern Indiana Workforce Board, Inc. to comply with the requirements applicable to that program.

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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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.

Government Auditing Standards requires the auditor to perform limited procedures on Northern Indiana Workforce Board, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Northern Indiana Workforce Board, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be material weaknesses.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Northern Indiana Workforce Board, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Northern Indiana Workforce Board, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

August 14, 2023

**NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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: Modified

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</u>	<u>Name of Federal Program or Cluster</u>
21.019	U.S. Department of Treasury - Coronavirus Relief Fund
17.258*	U.S. Department of Labor – WIOA Adult Program
17.259*	U.S. Department of Labor – WIOA Youth Activities
17.278*	U.S. Department of Labor – WIOA Dislocated Worker Formula Grants

* Represents cluster program

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

Auditee qualified as low-risk auditee? Yes No

NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

2022-001: Material Adjustments

Condition: Certain internal controls surrounding various transaction classes did not timely detect adjustments related to accounts receivables, accrued expenses, and financial reporting for grant expenditures.

Criteria: Internal controls should be in place that permit the preparation of reliable financial statements.

Cause: Internal controls surrounding account reconciliations and review were not adequately applied to ensure that general ledger accounts, financial statements, and grant segment reporting were appropriately stated. Staff turnover in the fiscal department contributed to the breakdown in controls.

Effect: Material adjustments were required to prevent misstatements in the transaction classes identified.

Recommendation: Management needs to analyze staffing shortages and structure over financial processes.

Views of Responsible Officials and Planned Corrective Actions: Staffing changes have occurred, and the fiscal management duties have been outsourced to a third party which has experience with Workforce Boards and related grants. All fiscal processes are being reviewed and updated.

**NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section III – Federal Award Findings and Questioned Costs

2022-002: Material Weakness related to Cash Management

Department of Labor

WIOA Cluster

AL #17.258 WIOA Adult Program

AL #17.259 WIOA Youth Activities

AL #17.278 WIOA Dislocated Worker Formula Grants

Department of Treasury

AL# 21.019 Coronavirus Relief Fund

Condition: Cash draws from WIOA Cluster and Coronavirus Relief Fund grants exceeded the amount needed to cover allowable costs.

Criteria: In accordance with 2 CFR section 200.303(a) a non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause: Staffing issues resulted in funds being overdrawn and inaccuracies in reconciling the State of Indiana Department of Workforce Development’s system and the general ledger.

Effect: Approximately \$286,000 of WIOA Cluster funds and \$94,000 of Coronavirus Relief Funds were drawn in excess of allowable costs incurred.

Recommendation: Management needs to work with the State of Indiana Department of Workforce Development to refund the overdrawn funds or apply the funds to allowable costs in the upcoming fiscal year.

Views of Responsible Officials and Planned Corrective Actions: Staffing changes have occurred, and the fiscal management duties have been outsourced to a third party which has experience with Workforce Boards and related grants. The new Fiscal Agent is working with IN DWD to correct these errors.

NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Section III – Federal Award Findings and Questioned Costs – (continued)

2022-003: Noncompliance with Cash Management

Department of Labor

WIOA Cluster

AL #17.258 WIOA Adult Program

AL #17.259 WIOA Youth Activities

AL #17.278 WIOA Dislocated Worker Formula Grants

Department of Treasury

AL# 21.019 Coronavirus Relief Fund

Condition: Cash draws from WIOA Cluster and Coronavirus Relief Fund grants exceeded the amount needed to cover allowable costs.

Criteria: Non-federal entities must minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement by the non-federal entity for direct program or project costs and the proportionate share of allowable indirect costs, whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means (2 CFR section 200.305(b)).

Cause: Staffing issues resulted in funds being overdrawn and inaccuracies in reconciling the State of Indiana Department of Workforce Development's system and the general ledger.

Effect: Approximately \$286,000 of WIOA Cluster funds and \$94,000 of Coronavirus Relief Funds were drawn in excess of allowable costs incurred.

Recommendation: Management needs to work with the State of Indiana Department of Workforce Development to refund the overdrawn funds or apply the funds to allowable costs in the upcoming fiscal year.

Views of Responsible Officials and Planned Corrective Actions: Staffing changes have occurred, and the fiscal management duties have been outsourced to a third party which has experience with Workforce Boards and related grants. The issues are being addressed with IN DWD.

**NORTHERN INDIANA WORKFORCE BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section III – Federal Award Findings and Questioned Costs – (continued)

2022-004: Audit Report Not Timely Submitted

Department of Labor

WIOA Cluster

AL #17.258 WIOA Adult Program

AL #17.259 WIOA Youth Activities

AL #17.278 WIOA Dislocated Worker Formula Grants

Department of Treasury

AL# 21.019 Coronavirus Relief Fund

Condition: This audit report for the fiscal year ending June 30, 2022 was not submitted to the Federal Clearinghouse by March 31, 2023 as required.

Criteria: Uniform Guidance requires audits to be submitted to the Clearinghouse the earlier of thirty days after the audit report date or nine months after fiscal year-end.

Cause: Staff turnover and a breakdown in internal controls over financial reporting.

Effect: Noncompliance with reporting requirements.

Recommendation: Management needs to ensure financial information is completed and reconciled within a reasonable timeframe after the fiscal year-end to allow an audit to be completed within the required timeframe.

Views of Responsible Officials and Planned Corrective Actions: Staffing changes have occurred, and the fiscal management duties have been outsourced to a third party which had experience with Workforce Boards and related grants.