



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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December 8, 2023

Board of Directors
JobWorks, Inc.
Fort Wayne, IN 46804

We have reviewed the audit report of JobWorks, 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 JobWorks, 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 and Associates, PC prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

**JobWorks, Inc.
and Subsidiary**



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

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Certified Public Accountants

**JOBWORKS, INC. AND SUBSIDIARY
FINANCIAL STATEMENTS**

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Independent Auditor's Report

To the Board of Directors of
JobWorks, Inc. and Subsidiary
Ft. Wayne, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JobWorks, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of JobWorks, Inc. and Subsidiary 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 JobWorks, 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the JobWorks, Inc. and Subsidiary'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 JobWorks, 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 JobWorks, 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 January 17, 2023 on our consideration of the JobWorks, 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 JobWorks, 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 JobWorks, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
January 17, 2023

JOBWORKS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS:			
Cash		\$ 723,831	\$ 624,641
Grants receivable		1,564,948	1,604,249
Accounts receivable		618,139	294,569
Prepaid expenses		166,637	145,453
Investments		<u>150,875</u>	<u>181,568</u>
Total current assets		<u>3,224,430</u>	<u>2,850,480</u>
PROPERTY AND EQUIPMENT:			
Furniture and equipment		124,137	124,137
Less accumulated depreciation		<u>(124,137)</u>	<u>(124,137)</u>
Total fixed assets, net		<u>-</u>	<u>-</u>
Total assets		<u><u>\$ 3,224,430</u></u>	<u><u>\$ 2,850,480</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 413,525	\$ 389,236
Accrued payroll taxes and related expenses		667,710	630,969
Deferred revenue		<u>224,632</u>	<u>132,918</u>
Total current liabilities		<u>1,305,867</u>	<u>1,153,123</u>
Total liabilities		<u>1,305,867</u>	<u>1,153,123</u>
NET ASSETS:			
Without donor restrictions		<u>1,918,563</u>	<u>1,697,357</u>
Total liabilities and net assets		<u><u>\$ 3,224,430</u></u>	<u><u>\$ 2,850,480</u></u>

See accompanying notes to consolidated financial statements.

JOBWORKS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
REVENUE AND OTHER SUPPORT		
Grant revenue	\$ 11,977,348	\$ 10,928,287
Corporate revenue	1,636,015	1,210,123
Investment income	(30,692)	50,363
Other income	2,340	1,576,839
Total revenue and other support	13,585,011	13,765,612
OPERATING EXPENSES		
Adult	1,523,224	1,186,877
Dislocated worker	1,143,964	1,180,748
Youth	2,733,718	2,336,022
Workforce Ready	335,791	769,641
State JAG	1,732,912	1,804,635
Apprenticeship and H-1B Job Training	195,636	620,451
TANF JAG/Youth	283,912	431,024
Fee for service	1,935,246	1,754,017
Other	1,060,811	860,041
Management and general	916,486	932,149
Training division	1,502,105	955,066
Total operating expenses	13,363,805	12,830,671
INCREASE IN NET ASSETS	221,206	934,941
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR	1,697,357	762,416
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ 1,918,563	\$ 1,697,357

See accompanying notes to consolidated financial statements.

JOBWORKS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Adult	Dislocated Worker	Youth	Workforce Ready Grants	State JAG	Apprenticeship and H-1B Job Training	TANF JAG/Youth	Fee For Service	Other	Management & General	Training Division	2022 Total
OPERATING EXPENSES												
Wages and benefits	\$ 976,206	\$ 817,179	\$ 1,774,108	\$ 920	\$ 1,596,676	\$ 55,141	\$ 123,023	\$ 1,845,689	\$ 944,910	\$ 696,574	\$ 757,159	\$ 9,587,585
Travel and staff development	21,350	15,329	94,314	1	37,162	550	1,431	42,126	9,806	33,062	43,790	298,921
Facility costs	7,460	5,378	25,195	4	6,968	721	395	5,990	32,563	34,006	51,656	170,336
Equipment and depreciation	2,625	1,849	4,381	-	1,560	263	106	-	6,110	12,096	10,951	39,941
Communications	11,376	7,748	21,889	1	13,519	129	2,352	21,720	14,408	10,830	38,607	142,579
Supplies, postage and printing	4,838	2,776	23,656	2	34,466	313	2,696	-	12,305	13,825	7,010	101,887
Professional fees and dues	11,767	18,781	18,222	6	14,443	575	2,157	19,721	7,844	106,047	34,982	234,545
Regional support	-	-	9,874	-	-	-	14,140	-	-	-	-	24,014
Subcontracts	41,385	1,350	15,593	-	-	4,683	-	-	32,865	9,623	304,492	409,991
Client benefits	446,217	273,574	746,486	334,857	28,118	133,261	137,612	-	-	423	253,458	2,354,006
Total operating expenses	<u>\$ 1,523,224</u>	<u>\$ 1,143,964</u>	<u>\$ 2,733,718</u>	<u>\$ 335,791</u>	<u>\$ 1,732,912</u>	<u>\$ 195,636</u>	<u>\$ 283,912</u>	<u>\$ 1,935,246</u>	<u>\$ 1,060,811</u>	<u>\$ 916,486</u>	<u>\$ 1,502,105</u>	<u>\$ 13,363,805</u>

See accompanying notes to consolidated financial statements.

JOBWORKS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Adult	Dislocated Worker	Youth	Workforce Ready Grant	State JAG	Apprenticeship and H-1B Job Training	TANF JAG/Youth	Fee For Service	Other	Management & General	Training Division	2021 Total
OPERATING EXPENSES												
Wages and benefits	\$ 968,404	\$ 640,660	\$ 1,459,651	\$ 57,730	\$ 1,694,186	\$ 285,837	\$ 336,553	\$ 1,686,643	\$ 792,315	\$ 716,022	\$ 339,124	\$ 8,977,125
Travel and staff development	4,710	2,883	51,073	49	13,540	469	3,954	32,546	747	9,460	4,392	123,823
Facility costs	7,737	6,162	11,467	351	8,153	1,387	1,157	5,995	29,359	48,640	27,576	147,984
Equipment and depreciation	4,241	3,103	12,890	36	7,396	227	1,402	-	6,316	16,521	9,466	61,598
Communications	9,530	5,369	16,440	158	11,370	3,371	1,575	11,047	11,304	6,086	12,248	88,498
Supplies, postage and printing	5,898	1,437	21,577	32	18,207	1,470	1,815	86	6,073	8,187	3,159	67,941
Professional fees and dues	14,878	7,553	20,405	519	14,287	2,478	4,070	17,700	11,743	124,814	92,738	311,185
Regional support	-	-	8,260	-	-	-	-	-	-	-	-	8,260
Subcontracts	2,470	1,770	13,080	-	-	640	13,026	-	-	180	-	31,166
Client benefits	169,009	511,811	721,179	710,766	37,496	324,572	67,472	-	2,184	2,239	466,363	3,013,091
Total operating expenses	<u>\$ 1,186,877</u>	<u>\$ 1,180,748</u>	<u>\$ 2,336,022</u>	<u>\$ 769,641</u>	<u>\$ 1,804,635</u>	<u>\$ 620,451</u>	<u>\$ 431,024</u>	<u>\$ 1,754,017</u>	<u>\$ 860,041</u>	<u>\$ 932,149</u>	<u>\$ 955,066</u>	<u>\$ 12,830,671</u>

See accompanying notes to consolidated financial statements.

JOBWORKS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 221,206	\$ 934,941
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Net unrealized (gain) loss on investments	44,515	(45,309)
Gain on forgiveness of debt	-	(1,573,900)
Increase (decrease) in cash from changes in:		
Grants receivable	39,301	(295,828)
Accounts receivable	(323,570)	(93,476)
Prepaid expenses	(21,184)	(4,511)
Accounts payable	24,289	9,562
Accrued payroll and payroll expenses	36,741	213,665
Deferred revenue	91,714	132,918
	<u>113,012</u>	<u>(721,938)</u>
Net cash provided by (used in) operating activities		
	<u>113,012</u>	<u>(721,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(13,822)	(5,054)
	<u>(13,822)</u>	<u>(5,054)</u>
Net cash provided by (used in) investing activities		
	<u>(13,822)</u>	<u>(5,054)</u>
NET INCREASE (DECREASE) IN CASH	99,190	(726,992)
CASH, BEGINNING OF YEAR	<u>624,641</u>	<u>1,351,633</u>
CASH, END OF YEAR	<u>\$ 723,831</u>	<u>\$ 624,641</u>

See accompanying notes to consolidated financial statements.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of JobWorks, Inc. (the “Organization”), and its wholly owned subsidiary, JobWorks Education & Training Systems, LLC. All material inter-company transactions have been eliminated in consolidation.

NATURE OF OPERATIONS

JobWorks, Inc. was organized as an Indiana nonprofit corporation in 1983. The Organization was formed to prepare youth and unskilled adults for entry into the workforce and to provide economically disadvantaged individuals and others facing barriers to employment with job training in Cass, Clark, Crawford, Dubois, Floyd, Gibson, Harrison, Howard, Jasper, Knox, Lake, LaPorte, Miami, Newton, Perry, Pike, Porter, Posey, Pulaski, Scott, Spencer, Starke, Tipton, Vanderburgh, Warrick and Washington counties in Indiana, Miami, Preble, and Shelby counties in Ohio, and the San Diego Metro Region in California. The Organization is primarily supported through federal and state government grants.

In June 2007, the Organization formed JobWorks Education & Training Systems, LLC (“JETS”) for the purpose of providing training, event planning, and technical assistance services. This subsidiary was established as a single-member limited liability company under the laws of the State of Indiana and is 100% owned by the Organization. During the years ended June 30, 2022 and 2021, no activity was incurred by this subsidiary.

Effective for the year ended December 31, 2007, JETS has elected to be treated as a limited liability company for income tax purposes and, accordingly, is not responsible for payment of federal income taxes, which is the responsibility of the sole limited liability company member, JobWorks, Inc. As a limited liability company, the subsidiary must report on a calendar year basis for tax purposes. As of June 30, 2007, its mission was considered to be related to the employment and training mission of JobWorks, Inc. and therefore, no provision for unrelated business income tax has been made for federal income taxes. In addition, as of June 30, 2022 and 2021, no revenue had been earned or expenses incurred by JETS.

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.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, JobWorks, 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 JobWorks, 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 JobWorks, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of JobWorks, 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.

For the years ended June 30, 2022 and 2021, the Organization had no net assets with donor restrictions or board designated net assets.

REVENUE RECOGNITION

The Organization receives grants from the States of Indiana, Ohio, California and other sources to carry out certain program activities. The conditional grants are received under contracts which require the Organization to submit to the funding sources appropriate records of services provided to eligible individuals and/or allowable expenses incurred. As a sub-provider or as a contractor, JobWorks recognizes revenue as allowable expenses are incurred.

The Organization reports grants and contributions 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 consolidated statements of activities as net assets released from restrictions. However, grants and contributions received with donor-imposed restrictions in which restrictions are satisfied in the same reporting period received are reported as net assets without donor restrictions.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION (continued)

In addition, JobWorks Education & Training Systems has contracts with customers to provide licenses and on-line training classes. Revenue generated through licenses is considered earned at the point of purchase. Fees from training courses are considered earned ratably over the term of the respective training sessions as performance obligations are met. Fees received prior to the end of training sessions are prorated, and amounts considered unearned are recorded as deferred revenue.

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.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

The grants receivable represent amounts the Organization has filed claims for the year ended and were awaiting payment. A substantial majority of receivables are due from government sources. The amount deemed uncollectible is zero. Therefore, no bad debt allowance is considered necessary.

Accounts receivable are amounts due from various one-stop partners and other customers. Based on collection history, amounts have been deemed as fully collectible and no allowance for uncollectible accounts has been recorded.

PROPERTY AND EQUIPMENT

Corporate funded property and equipment costing \$5,000 or more are stated at cost. Donated property and equipment are recorded at fair market value at the time of donation. Expenditures for repairs and maintenance are generally expensed in the period incurred. Expenditures for renewals and improvements are generally capitalized. Depreciation expense is calculated using the straight-line method over estimated useful lives of five years for vehicles, and three to ten years for furniture and equipment. The Subsidiary owns no fixed assets during the years ended June 30, 2022 and 2021.

In addition, the Organization maintains property which was purchased with funds provided by the State of Indiana and therefore is owned by the State. These State funded assets are not presented in the Organization's financial statements.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT (continued)

When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Disposition of equipment purchased with the use of various grant funds may be restricted.

EXPENSE ALLOCATION

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

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. Cost allocation methods are as follows:

Administrative cost pool

Agency administrative costs are allocated based on a two-step process involving administrative staff time in each region and direct staff time.

Program cost pool

Program costs are allocated based on a one-step process involving direct staff time.

Other joint costs

Other joint costs are charged to agency programs based on the amounts used by each program or other appropriate methodology.

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.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, it 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, 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. With a few exceptions, the Organization is generally no longer subject to examination by tax authorities for fiscal years before June 30, 2019.

Income tax expense for the Subsidiary will include federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. No such differences existed as of June 30, 2022 and 2021. For the years ended June 30, 2022 and 2021, there were no provisions for income taxes due to the lack of activity in the Subsidiary.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification Topic, “*Fair Value Measurement*”, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments held by the Organization are considered level 1 and are traded in active exchange markets, such as the New York Stock Exchange.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 17, 2023 which is the date the financial statements were available to be issued.

NOTE 2 – CONCENTRATION OF RISK

The Organization maintains its cash balance at a bank. The account at the institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2022 and 2021. At June 30, 2022 and 2021, bank balances in excess of FDIC coverage in place for those years were \$614,166 and \$479,991, respectively.

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 3 – GRANTS RECEIVABLE

Grants receivable consisted of the following:

As of June 30:	<u>2022</u>	<u>2021</u>
Government sources	\$ 1,324,562	\$ 1,458,849
Fee for service	240,286	145,400
	<u>\$ 1,564,948</u>	<u>\$ 1,604,249</u>

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 – INVESTMENTS

Investments consist of corporate stocks and mutual funds and are stated at fair value based on quoted prices in active markets. Investments are measured at fair value using Level 1 inputs and are summarized as follows at June 30, 2022 and 2021:

	Cost or Original Donated <u>Value</u>	Fair <u>Value</u>	Cumulative Unrealized <u>Gain (loss)</u>
As of June 30, 2022:			
Stocks and mutual funds	<u>\$ 131,601</u>	<u>\$ 150,875</u>	<u>\$ 19,274</u>
As of June 30, 2021:			
Stocks and mutual funds	<u>\$ 117,779</u>	<u>\$ 181,568</u>	<u>\$ 63,789</u>

The cumulative appreciation since the inception of these investments was \$19,274 and \$63,789 for the years ended June 30, 2022 and 2021. The net unrealized gain (loss) for the one year period ended June 30, 2022 and 2021 was \$(44,515) and \$45,309, respectively. These net unrealized gains and losses are included in the investment income on the statements of activities.

NOTE 5 – LINE OF CREDIT – BANK

The Organization at June 30, 2022 and 2021, has available a secure line of credit with Old National Bank. For the years ended June 30, 2022 and 2021, the line of credit limit was \$950,000. The line of credit had no outstanding balance at June 30, 2022 and 2021. Interest is equal to the banks' prime rate and matures June 2023. The line of credit is secured by all assets of the Organization.

NOTE 6 – LONG-TERM DEBT

The Organization issued a promissory note in the amount of \$1,573,900 to Old National Bank through the SBA PPP program dated April 28, 2020. Maturity date April 28, 2022. Under the terms of the note, a portion of the loan used for specified purposes may be forgiven prior to commencement of payments. On November 16, 2020, the Organization received notification from the SBA that the \$1,573,900 principal balance and accrued interest of \$8,667 was forgiven.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 – OPERATING LEASES

JobWorks, Inc. leases various facilities for use in the operation of its programs. Lease expense for the year ended June 30, 2022 and 2021 was \$132,044 and \$112,436, respectively. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2022 are as follows:

2023	\$ 151,666
2024	62,905
2025	3,541
2026	3,042
2027	3,549
Thereafter	<u>-</u>
	<u>\$ 224,703</u>

NOTE 8 – RETIREMENT PLAN

JobWorks, Inc. maintains a 401(k) Profit Sharing Plan. Employees who have completed 90 days of service and are 21 years old will become plan members the quarter following the date their service requirements have been met. For purposes of both the 401(k) plan and the profit-sharing plan, the plan entry date is the first day of the plan year or the first day of the seventh month of the plan year coinciding with, or next following the date the employee satisfied the eligibility requirements. On this entry date, the employee will be eligible to make 401(k) contributions to the safe harbor 401(k) plan. These employee contributions will be matched by JobWorks, Inc. at the rate of 100% for the first 3% of the employee contribution and at the rate of 50% of the employee contribution between 3% and 5%. These contributions will be calculated on a per pay period basis. The JobWorks, Inc. safe harbor contributions are immediately 100% vested. Employees may contribute a portion of their salary up to the annual Internal Revenue Service limit. Profit sharing contributions may be made on a discretionary basis and will be subject to a vesting schedule that covers a five-year period with vesting occurring at the rate of 20% after one year of service and 20% per year thereafter.

The employer contributions for the years ended June 30, 2022 and 2021 were \$138,990 and \$126,041, respectively.

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 – RELATED PARTIES

The Organization has obtained services and supplies from related parties. Of these related parties one is a company owned by a board member. During the years ended June 30, 2022 and 2021, this party was paid \$7,634 and \$7,437, respectively. All other related parties represent relatives of the Organization's Director or Management. Total compensation paid to these parties during the years ended June 30, 2022 and 2021, was \$47,777 and \$45,682, respectively.

NOTE 10 – INFORMATION ON LIQUIDITY

The Organization is funded through cost reimbursable government grants pass-through various nonprofit grantors. In addition, training contracts are becoming an expanding source of revenue. The Organization financial assets consist of cash, receivables and investments. None of these assets are designated by the board of directors or restricted by donors for any purpose. As noted in Note 5, the Organization also has a \$950,000 line of credit available to meet cash needs.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

Financial assets available for cash needs for general expenditures within one year are \$2,705,027 and \$3,057,793 for the years ending June 30, 2022 and 2021, respectively.



Independent Auditor's Report on Supplementary Information

Board of Directors
JobWorks, Inc. and Subsidiary
Fort Wayne, Indiana

We have audited of the consolidated financial statements of JobWorks, Inc. and Subsidiary as of and for the years ended June 30, 2022 and 2021, and our report thereon dated January 17, 2023, which expressed an unmodified opinion on those consolidated financial states, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 19 through 21) is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
January 17, 2023

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULES OF DIVISIONAL FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS	2022				2021			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
CURRENT ASSETS:								
Cash	\$ 658,523	\$ 65,308	\$ -	\$ 723,831	\$ 561,512	\$ 63,129	\$ -	\$ 624,641
Grants receivable	1,564,948	-	-	1,564,948	1,604,249	-	-	1,604,249
Accounts receivable	211,529	596,927	(190,317)	618,139	114,761	279,251	(99,443)	294,569
Prepaid expenses	166,637	-	-	166,637	145,453	-	-	145,453
Investments	150,875	-	-	150,875	181,568	-	-	181,568
Total current assets	<u>2,752,512</u>	<u>662,235</u>	<u>(190,317)</u>	<u>3,224,430</u>	<u>2,607,543</u>	<u>342,380</u>	<u>(99,443)</u>	<u>2,850,480</u>
PROPERTY AND EQUIPMENT:								
Furniture and equipment	124,137	-	-	124,137	124,137	-	-	124,137
	124,137	-	-	124,137	124,137	-	-	124,137
Less accumulated depreciation	<u>(124,137)</u>	<u>-</u>	<u>-</u>	<u>(124,137)</u>	<u>(124,137)</u>	<u>-</u>	<u>-</u>	<u>(124,137)</u>
Total Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,752,512</u>	<u>\$ 662,235</u>	<u>\$ (190,317)</u>	<u>\$ 3,224,430</u>	<u>\$ 2,607,543</u>	<u>\$ 342,380</u>	<u>\$ (99,443)</u>	<u>\$ 2,850,480</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Accounts payable	\$ 413,525	\$ 190,317	\$ (190,317)	\$ 413,525	\$ 392,593	\$ 96,086	\$ (99,443)	\$ 389,236
Accrued payroll taxes and related expenses	667,710	-	-	667,710	630,969	-	-	630,969
Deferred revenue	-	224,632	-	224,632	-	132,918	-	132,918
Total current liabilities	<u>1,081,235</u>	<u>414,949</u>	<u>(190,317)</u>	<u>1,305,867</u>	<u>1,023,562</u>	<u>229,004</u>	<u>(99,443)</u>	<u>1,153,123</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,671,277</u>	<u>247,286</u>	<u>-</u>	<u>1,918,563</u>	<u>1,583,981</u>	<u>113,376</u>	<u>-</u>	<u>1,697,357</u>
Total liabilities and net assets	<u>\$ 2,752,512</u>	<u>\$ 662,235</u>	<u>\$ (190,317)</u>	<u>\$ 3,224,430</u>	<u>\$ 2,607,543</u>	<u>\$ 342,380</u>	<u>\$ (99,443)</u>	<u>\$ 2,850,480</u>

See Independent Auditor's Report on Supplementary Information.

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULES OF DIVISIONAL ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
REVENUE AND OTHER SUPPORT								
Grant revenue	\$ 11,977,348	\$ -	\$ -	\$ 11,977,348	\$ 10,928,287	\$ -	\$ -	\$ 10,928,287
Corporate revenue	-	1,636,015	-	1,636,015	-	1,210,123	-	1,210,123
Investment income	(30,692)	-	-	(30,692)	50,363	-	-	50,363
Other income	2,340	-	-	2,340	1,576,839	-	-	1,576,839
Total revenue and other support	<u>11,948,996</u>	<u>1,636,015</u>	<u>-</u>	<u>13,585,011</u>	<u>12,555,489</u>	<u>1,210,123</u>	<u>-</u>	<u>13,765,612</u>
OPERATING EXPENSES:								
Adult	1,523,224	-	-	1,523,224	1,186,877	-	-	1,186,877
Dislocated worker	1,143,964	-	-	1,143,964	1,180,748	-	-	1,180,748
Youth	2,733,718	-	-	2,733,718	2,336,022	-	-	2,336,022
Workforce Ready	335,791	-	-	335,791	769,641	-	-	769,641
State JAG	1,732,912	-	-	1,732,912	1,804,635	-	-	1,804,635
Apprenticeship and H-1B Job Training	195,636	-	-	195,636	620,451	-	-	620,451
TANF JAG/Youth	283,912	-	-	283,912	431,024	-	-	431,024
Fee for service	1,935,246	-	-	1,935,246	1,754,017	-	-	1,754,017
Other	1,060,811	-	-	1,060,811	860,041	-	-	860,041
Management and general	916,486	-	-	916,486	932,149	-	-	932,149
Training Division	-	1,502,105	-	1,502,105	-	955,066	-	955,066
Total operating expenses	<u>11,861,700</u>	<u>1,502,105</u>	<u>-</u>	<u>13,363,805</u>	<u>11,875,605</u>	<u>955,066</u>	<u>-</u>	<u>12,830,671</u>
Increase (decrease) in unrestricted net assets	<u>87,296</u>	<u>133,910</u>	<u>-</u>	<u>221,206</u>	<u>679,884</u>	<u>255,057</u>	<u>-</u>	<u>934,941</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS								
AT BEGINNING OF YEAR	<u>1,583,981</u>	<u>113,376</u>	<u>-</u>	<u>1,697,357</u>	<u>904,097</u>	<u>(141,681)</u>	<u>-</u>	<u>762,416</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS								
AT END OF YEAR	<u>\$ 1,671,277</u>	<u>\$ 247,286</u>	<u>\$ -</u>	<u>\$ 1,918,563</u>	<u>\$ 1,583,981</u>	<u>\$ 113,376</u>	<u>\$ -</u>	<u>\$ 1,697,357</u>

See Independent Auditor's Report on Supplementary Information.

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF DIVISIONAL CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Increase (decrease) in net assets	\$ 87,296	\$ 133,910	\$ -	\$ 221,206	\$ 679,884	\$ 255,057	\$ -	\$ 934,941
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Net realized and unrealized loss (gain) on investments	44,515	-	-	44,515	(45,309)	-	-	(45,309)
Gain on forgiveness of debt	-	-	-	-	(1,573,900)	-	-	(1,573,900)
Increase (decrease) in cash from changes in:								
Grants receivable	39,301	-	-	39,301	(295,828)	-	-	(295,828)
Accounts receivable	(96,768)	(317,676)	90,874	(323,570)	207,779	(84,976)	(216,279)	(93,476)
Prepaid expenses	(21,184)	-	-	(21,184)	(4,511)	-	-	(4,511)
Accounts payable	20,932	94,231	(90,874)	24,289	13,833	(220,550)	216,279	9,562
Accrued payroll and payroll expenses	36,741	-	-	36,741	213,665	-	-	213,665
Deferred revenue	-	91,714	-	91,714	-	132,918	-	132,918
Net cash provided by (used in) operating activities	<u>110,833</u>	<u>2,179</u>	<u>-</u>	<u>113,012</u>	<u>(804,387)</u>	<u>82,449</u>	<u>-</u>	<u>(721,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of investments	(13,822)	-	-	(13,822)	(5,054)	-	-	(5,054)
Net cash provided by (used in) investing activities	<u>(13,822)</u>	<u>-</u>	<u>-</u>	<u>(13,822)</u>	<u>(5,054)</u>	<u>-</u>	<u>-</u>	<u>(5,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds (payment) of notes receivable	-	-	-	-	20,000	(20,000)	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	97,011	2,179	-	99,190	(789,441)	62,449	-	(726,992)
CASH, BEGINNING OF YEAR	<u>561,512</u>	<u>63,129</u>	<u>-</u>	<u>624,641</u>	<u>1,350,953</u>	<u>680</u>	<u>-</u>	<u>1,351,633</u>
CASH, END OF YEAR	<u>\$ 658,523</u>	<u>\$ 65,308</u>	<u>\$ -</u>	<u>\$ 723,831</u>	<u>\$ 561,512</u>	<u>\$ 63,129</u>	<u>\$ -</u>	<u>\$ 624,641</u>

See Independent Auditor's Report on Supplementary Information.

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

<u>Passthrough Agency Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant or Identifying Number</u>	<u>Grant Award (in dollars \$)</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF LABOR				
Passed through the Indiana Department of Workforce Development (DWD) and The Center of Workforce Innovations, Inc:				
WIOA JAG	17.259	CWI-21-42	963,790	\$ 674,208
WIOA Older Youth	17.259	CWI-21-42	1,021,210	867,487
WIOA ISY Contract 2	17.259	CWI-21-42	-	9,752
WIOA OSY Contract 2	17.259	CWI-21-59	220,000	96,860
WIOA Youth Summer Employment	17.259	CWI-21-59	-	12,301
WIOA Adult	17.258	CWI-21-46	68,000	55,606
				<u>1,716,214</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:				
WIOA Adult	17.258	JW-WIB-44-21-04	523,271	837,632
WIOA Adult - OSO	17.258	JW-WIB-44-21-04	6,002	4,034
WIOA Dislocated Worker	17.278	JW-WIB-44-21-04	443,225	282,897
WIOA Dislocated Worker - OSO	17.278	JW-WIB-44-21-04	3,283	2,764
WIOA Performance Grant Solar	17.278	JW-PSG-RE-44-2104	172,210	6,076
WIOA Dislocated Worker - Rapid Response	17.278	JW-RRCovid-44-21-04	92,000	90,213
WIOA In School Youth	17.259	JW-WIB-44-21-04	77,006	3,472
WIOA Out of School Youth	17.259	JW-WIB-44-21-04	699,859	407,782
WIOA Out of School Youth - OSO	17.259	JW-WIB-44-21-04	5,519	3,701
				<u>1,638,571</u>
Wagner-Peysner Act Employment Services	17.207	JW-BC-44-2104	60,000	60,000
RESEA	17.225	JW-RESEA-44-20-04	308,550	93,450
RESEA	17.225	JW-RESEA-44-21-04	320,245	240,641
				<u>334,091</u>
H-1B Job Training Grant - Rural Healthcare	17.268	JW-RHG-44-20-04	250,000	20,156
H-1B Job Training Grant - America's Promise Grant	17.268	JW-APG-44-6-04	4,657,291	76,112
				<u>96,268</u>
Apprenticeship USA Grants - ASE Apprenticeship	17.285	JW-ASEDRI-44-20-04	84,300	34,833
WIOA National Dislocated Worker Grants	17.277	JW-44-WRGCARES-20-04	278,465	21,308
				<u>2,185,071</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing Number	Grant or Identifying Number	Grant Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF LABOR (continued)				
Passed through the Indiana Department of Workforce Development (DWD) and Region 10 Workforce Investment Board, Inc.				
WIOA Adult	17.258	None	314,151	\$ 276,456
WIOA Adult OSO	17.258	None		12,108
WIOA Dislocated Worker	17.278	None	235,176	100,801
WIOA Dislocated Worker OSO	17.278	None		9,927
WIOA Dislocated Worker - Rapid Response	17.278	None	28,000	12,635
WIOA Youth	17.259	None	318,049	271,619
WIOA Youth OSO	17.259	None		14,348
				<u>697,894</u>
RESEA	17.225	None	60,671	60,671
RESEA	17.225	None	249,750	56,003
RESEA OSO	17.225	None		3,055
RESEA	17.225	None	80,000	80,000
				<u>199,729</u>
H-1B Job Training Grant - Rural Healthcare	17.268	None	194,975	30,530
WIOA National Dislocated Worker Grants - Opioid	17.277	None	350,848	83,240
WIOA National DW Grants - Employment Recovery	17.277	None	538,825	122,335
WIOA National DW Grants - Disaster Relief	17.277	None	197,303	38,211
				<u>243,786</u>
Apprenticeship USA Grants - ASE Apprenticeship	17.285	None	80,000	700
Trade Adjustment Assistance Act	17.245	None		3,279
Wagner-Peyser Act Employment Services	17.207	None		15,051
Disabled Veterans Outreach Program	17.801	None		4,084
Local Veteran Employment Representative Program	17.804	None		2,016
				<u>21,151</u>
				<u>1,197,069</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing Number	Grant or Identifying Number	Grant Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF LABOR (continued)				
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board, Inc.				
WIOA Adult	17.258	WDB-21-01	490,281	\$ 444,371
WIOA Adult OSO & IFA	17.258	WDB-21-01		9,402
WIOA Dislocated Worker	17.278	WDB-21-01	289,822	203,713
WIOA Dislocated Worker OSO & IFA	17.278	WDB-21-01		8,264
WIOA Dislocated Worker - Rapid Response	17.278	WDB-21-01	49,600	49,600
WIOA In School Youth	17.259	WDB-21-01	294,178	153,386
WIOA Out of School Youth	17.259	WDB-21-01	445,739	239,736
WIOA Youth OSO & IFA	17.259	WDB-21-01		7,764
WIOA Youth Performance Grant	17.259	WDB-21-11	163,000	26,256
				<u>1,142,492</u>
RESEA	17.225	WDB-21-03	268,200	51,826
RESEA	17.225	WDB-20-04	282,730	140,147
RESEA OSO & IFA	17.225	WDB-21-01		1,436
				<u>193,409</u>
Apprenticeship USA Grants - ASE Apprenticeship	17.285	WDB-ASE-2022-02	11,000	7,149
H-1B Job Training Grant - Rural Healthcare	17.268	WDB HC 20-23	237,500	36,456
WIOA National Dislocated Worker Grants	17.277	WDB-20-02	177,750	22,183
WIOA National Dislocated Worker Grants	17.277	WDB-ER-20-21	585,025	82,221
				<u>104,404</u>
Wagner-Peysler Act Employment Services	17.207	WDB-21-01		18,431
Wagner-Peysler Act Employment Services	17.207	WDB-21-11	75,917	22,166
Disabled Veterans Outreach Program	17.801	WDB-21-01		2,154
Local Veteran Employment Representative Program	17.804	WDB-21-01		1,436
				<u>44,187</u>
Trade Adjustment Assistance Act	17.245	WDB-21-01		1,436
				<u>1,529,533</u>
Passed through Indianapolis Private Industry Council, Inc. d/b/a EmployIndy				
WIOA National Dislocated Worker Grants	17.277	S1001-ERC-20-WOI	278,042	118,735

See accompanying notes to Schedule of Expenditures of Federal Awards

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing Number	Grant or Identifying Number	Grant Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF LABOR (continued)				
Passed through the Ohio Department of Jobs and Family Services and the Miami County Commissioners:				
Ohio Area 7 - Miami County WIOA ISY	17.259	None	4,248	\$ 4,249
Ohio Area 7 - Miami County WIOA OSY	17.259	None	67,752	64,990
				<u>69,239</u>
Passed through the Ohio Department of Jobs and Family Services and the Preble County Commissioners:				
Ohio Area 7 - Preble County WIOA OSY	17.259	None	69,912	57,688
				<u>57,688</u>
Passed through the Ohio Department of Jobs and Family Services and the Shelby County Commissioners:				
Ohio Area 7 - Shelby County WIOA OSY	17.259	None	45,000	42,831
				<u>42,831</u>
Total WIOA cluster				<u>5,364,929</u>
Total Expenditures U.S. Department of Labor				<u>6,916,380</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Indiana Department of Workforce Development (DWD) and the Region 10 Workforce Board:				
TANF JAG	93.558	None	100,000	97,857
Passed through the Ohio Department of Jobs and Family Services and the Preble County Commissioners:				
Ohio Area 7 - Preble County-Youth Summer Employment	93.558	None	28,699	20,953
Ohio Area 7 - Preble County-Summer 2	93.558	None	27,302	1,602
Ohio Area 7 - Preble County-CCMEP TANF	93.558	None	150,000	149,016
				<u>171,571</u>
Passed through the Ohio Department of Jobs and Family Services and the Shelby County Commissioners:				
Ohio Area 7 - Shelby County-CCMEP TANF	93.558	None	55,000	39,272
Total Expenditures U.S. Department of Health and Human Services				<u>308,700</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing Number	Grant or Identifying Number	Grant Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed through the Indiana Department of Workforce Development and The Center of Workforce Innovations, Inc.				
Rehabilitation Services Vocational Rehabilitation	84.126A	CWI-21-60	57,600	\$ 41,150
Rehabilitation Services Vocational Rehabilitation	84.126A	CWI-22-17	76,800	<u>50,931</u>
				92,081
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:				
Rehabilitation Services Vocational Rehabilitation	84.126A	JW-Pre-ETS 44-21-04	115,200	<u>89,813</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Region 10 Workforce Board:				
Rehabilitation Services Vocational Rehabilitation	84.126A	None	73,600	<u>41,694</u>
				<u>41,694</u>
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board:				
Rehabilitation Services Vocational Rehabilitation	84.126A	WDB-20-24	54,000	<u>54,000</u>
				<u>54,000</u>
Total Expenditures U.S. Department of Education				<u>277,588</u>
U.S. DEPARTMENT OF TREASURY				
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board:				
Coronavirus Relief Fund	21.019	WDB-20-22	48,510	<u>21,245</u>
Total Expenditures U.S. Department of Treasury				<u>21,245</u>
Total Expenditures of Federal Awards				<u>\$ 7,523,913</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

JOBWORKS, INC. AND SUBSIDIARY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of JobWorks, 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 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

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

JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2022

Passthrough Agency Program Title	Grant or Identifying Number	Grant Award (in dollars \$)	Expenditures
Passed through the Indiana Department of Workforce Development (DWD) and The Center of Workforce Innovations, Inc:			
SJAG	CWI-22-16	320,200	\$ 204,958
SJAG	CWI-21-58	329,544	152,863
MIS Support	None		70,916
			<u>428,737</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:			
State JAG	Jobworks-JAG-44-20-04	115,200	89,813
Workforce Ready	JW-WRG-44-21-04	47,500	39,225
			<u>129,038</u>
Passed through the Indiana Department of Workforce Development (DWD) and Region 10 Workforce Investment Board, Inc.			
State JAG	None	162,028	162,028
State JAG	None	215,251	153,321
JAG Strada	None	67,024	53,278
Workforce Ready	None	270,000	123,981
			<u>492,608</u>
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board, Inc.			
State JAG	WDB-20-03	378,152	169,788
State JAG	WDB-21-23	415,995	256,796
JAG Strada	WDB-19-06	150,000	48,682
Workforce Ready	WDB-21-12	74,700	69,175
			<u>544,441</u>
			<u>\$ 1,594,824</u>

**JOBWORKS, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
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 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
JobWorks, Inc. and Subsidiary
Ft. Wayne, 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 consolidated financial statements of the JobWorks, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated 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 January 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered JobWorks, 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 JobWorks, 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 JobWorks, 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
January 17, 2023



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
JobWorks, Inc. and Subsidiary
Ft. Wayne, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited JobWorks, 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 JobWorks, Inc.'s major federal programs for the year ended June 30, 2022. JobWorks, 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, JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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 JobWorks, 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

January 17, 2023

**JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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

Programs tested as major programs:

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

*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

**JOBWORKS, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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