



STATE OF INDIANA
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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

August 14, 2024

Board of Directors
Indiana Region 9 Workforce Board, Inc.
d/b/a Southeast Indiana Workforce Investment Board, Inc.
Dearborn County, Indiana

We have reviewed the audit report of Indiana Region 9 Workforce Board, Inc. d/b/a Southeast Indiana Workforce Investment Board, Inc., which was opined upon by Comer, Nowling And Associates, PC, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Indiana Region 9 Workforce Board, Inc. d/b/a Southeast Indiana Workforce Investment Board, Inc. as of June 30, 2023, 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

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



**Financial Statements
For the Years Ended
June 30, 2023 and 2022
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Southeast Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southeast Indiana Workforce Investment Board, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southeast Indiana Workforce Investment Board, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southeast Indiana Workforce Investment Board, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 13, 2024 on our consideration of the Southeast Indiana Workforce Investment Board, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southeast Indiana Workforce Investment Board, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Southeast Indiana Workforce Investment Board, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

March 13, 2024

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS		2023	2022
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 587,445	\$ 598,776
Accounts receivable		1,068	1,068
Grants receivable		395,529	521,893
Prepaid expenses		21,699	14,693
Total current assets		<u>1,005,741</u>	<u>1,136,430</u>
OTHER ASSETS			
Right-of use operating lease asset		<u>84,649</u>	<u>-</u>
Total assets		<u>\$ 1,090,390</u>	<u>\$ 1,136,430</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 324,093	\$ 388,888
Accrued expenses		464,238	569,087
Deferred revenue		43,568	-
Right-of-use lease liability - current portion		<u>39,608</u>	<u>-</u>
Total current liabilities		<u>871,507</u>	<u>957,975</u>
LONG-TERM LIABILITIES			
Right-of-use lease liability, less current portion		<u>48,674</u>	<u>-</u>
Total liabilities		<u>920,181</u>	<u>957,975</u>
NET ASSETS:			
Without donor restrictions		11,497	24,237
With donor restrictions		<u>158,712</u>	<u>154,218</u>
Total net assets		<u>170,209</u>	<u>178,455</u>
Total liabilities and net assets		<u>\$ 1,090,390</u>	<u>\$ 1,136,430</u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Federal grant revenue	\$ 2,902,092	\$ -	\$ 2,902,092	\$ 2,892,277	\$ -	\$ 2,892,277
Other grant revenue	1,158,604	188,000	1,346,604	1,514,229	187,500	1,701,729
Total revenue and support	4,060,696	188,000	4,248,696	4,406,506	187,500	4,594,006
Net assets released from restrictions	183,506	(183,506)	-	131,927	(131,927)	-
Total revenue, support and net assets released from restrictions	4,244,202	4,494	4,248,696	4,538,433	55,573	4,594,006
EXPENSES						
Program activities	3,955,431	-	3,955,431	4,294,181	-	4,294,181
Management and general	301,511	-	301,511	246,426	-	246,426
Total expenses	4,256,942	-	4,256,942	4,540,607	-	4,540,607
CHANGE IN NET ASSETS	(12,740)	4,494	(8,246)	(2,174)	55,573	53,399
NET ASSETS, BEGINNING OF YEAR	24,237	154,218	178,455	26,411	98,645	125,056
NET ASSETS, END OF YEAR	\$ 11,497	\$ 158,712	\$ 170,209	\$ 24,237	\$ 154,218	\$ 178,455

See accompanying notes to financial statements.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>2023 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 116,240	\$ 110,857	\$ 227,097
Benefits and taxes	42,963	33,194	76,157
Travel	5,070	6,499	11,569
Facility expense	200,632	-	200,632
Communications	21,512	1,361	22,873
Office supplies	2,124	976	3,100
Office equipment	4,791	-	4,791
Professional fees	-	128,614	128,614
Liability insurance	-	10,532	10,532
Outreach	32,826	9,478	42,304
Sub-contractor expenses	<u>3,529,273</u>	<u>-</u>	<u>3,529,273</u>
 Total expenses	 <u>\$ 3,955,431</u>	 <u>\$ 301,511</u>	 <u>\$ 4,256,942</u>

See accompanying notes to financial statements.

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

	<u>Program</u>	<u>Management and General</u>	<u>2022 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 146,721	\$ 100,302	\$ 247,023
Benefits and taxes	46,202	28,644	74,846
Travel	6,069	3,806	9,875
Facility expense	162,717	-	162,717
Communications	14,989	165	15,154
Office supplies	1,726	1,208	2,934
Office equipment	8,682	-	8,682
Professional fees	12,001	93,764	105,765
Liability insurance	-	9,641	9,641
Outreach	34,994	8,896	43,890
Sub-contractor expenses	<u>3,860,080</u>	<u>-</u>	<u>3,860,080</u>
 Total expenses	 <u>\$ 4,294,181</u>	 <u>\$ 246,426</u>	 <u>\$ 4,540,607</u>

See accompanying notes to financial statements.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (8,246)	\$ 53,399
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	126,364	(217,200)
Prepaid expenses	(7,006)	1,632
Right-of-use operating lease	37,962	-
Accounts payable	(64,795)	381,950
Accrued expenses	(104,849)	309,152
Deferred revenue	43,568	-
Right-of-use operating lease liability	(34,329)	-
Net cash provided by (used in) operating activities	(11,331)	528,933
CASH, BEGINNING OF YEAR	598,776	69,843
CASH, END OF YEAR	\$ 587,445	\$ 598,776

See accompanying notes to financial statements.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Southeast Indiana Workforce Investment Board, Inc. (the “Organization”) is an Indiana non-profit corporation comprised of representatives from the private sector, labor, education, economic development and community-based organizations. The Organization provides policy guidance and oversight to the WorkOne system in Indiana's Region 9 Economic Growth Region. The Region 9 Economic Growth Region includes Bartholomew, Dearborn, Decatur, Franklin, Jackson, Jefferson, Jennings, Ohio, Ripley, and Switzerland.

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

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

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

FINANCIAL STATEMENT PRESENTATION

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Southeast Indiana Workforce Investment Board, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

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

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

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

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

GOVERNMENT GRANTS

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

CONTRIBUTIONS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

CONTRIBUTED SERVICES

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

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

PROPERTY AND EQUIPMENT

As of June 30, 2023 and 2022, all property and equipment acquired by the Organization was purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Expenditures for maintenance and repairs are expensed when incurred.

USE OF ESTIMATES

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

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

USE OF ESTIMATES – (continued)

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

COST ALLOCATION

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all agency programs, which cannot be readily identified with a final cost objective.

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

INCOME TAX STATUS

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

TAX BENEFITS

Effective July 1, 2009, the Organization adopted the accounting policy to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded.

The Organization has examined this issue and has determined there are no material contingent tax liabilities at June 30, 2023 and 2022. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

SUBSEQUENT EVENTS

Subsequent events are evaluated by management through March 13, 2024, which is the date the financial statements were available to be issued.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – GRANTS RECEIVABLE

Grants receivable as of June 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Indiana Department of Workforce Development	\$ 374,620	\$ 516,960
Tecumseh Area Partnership	1,034	4,933
Conexus Indiana	19,875	-
Total grants receivable	<u>\$ 395,529</u>	<u>\$ 521,893</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains a cash balance at a single bank. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2023 and 2022. At June 30, 2023 and 2022, the Organization had bank balances of \$346,508 and \$353,564, respectively, in excess of FDIC coverage.

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

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

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2023 and 2022, the Organization controlled State owned equipment and furniture costing \$79,220 and \$79,220, respectively. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 – NET ASSETS

The restrictions on assets as of June 30, 2023 and 2022 relate to non-federal grants for donor specific assistance to the Organization and its programs. Those restrictions are considered to expire when specific payments made for the purpose of the donor grants are incurred.

As of June 30, 2023 and 2022, net assets with donor restrictions for grants with specific donor purposes are:

	<u>2023</u>	<u>2022</u>
Duke Energy Foundation Grant	\$ 253	\$ 9,390
United Way of Franklin County	(517)	(517)
JAG Lawrenceburg	13,252	13,252
JAG - Brownstown	22,023	28,730
JAG - Batesville	71,006	83,363
JAG - Madison	9,911	10,000
JAG - Jennings	9,849	10,000
JAG - Seymour	9,935	-
JAG - Dearborn	10,000	-
JAG - Jackson	13,000	-
	<u>\$ 158,712</u>	<u>\$ 154,218</u>

NOTE 6 – INFORMATION ABOUT LIQUIDITY

The Organization receives its funding through cost-reimbursement awards from governmental agencies. Since all allowable grant expenditures are reimbursed, the Organization has minimal net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2023 and 2022 , financial assets, net of restricted net assets, available for cash needs of general expenditures within one year are \$825,330 and \$967,519, respectively.

NOTE 7 –LEASES

The Organization leases space for the operation of its programs. Most leases are on a month-to-month basis. Rent expense for all space leases for the years ended June 30, 2023 and 2022, was \$160,848 and \$137,565, respectively.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 –LEASES – (continued)

At June 30, 2023, aggregate future minimum rental payments required under a long-term lease, which expire in 2025 is as follows:

	<u>Minimum annual lease payments</u>	<u>Amortization of NPV of lease liability</u>
Year ending June 30:	<u>Operating</u>	<u>Operating</u>
2024	\$ 45,100	\$ 39,608
2025	51,600	49,322
2026	-	-
2027	-	-
2028	-	-
Thereafter	-	-
	<u>\$ 96,700</u>	<u>\$ 88,930</u>
	<u>Operating</u>	
Accumulated basis	\$ 122,611	
Less accumulated amortization	(37,962)	
	<u>\$ 84,649</u>	
	<u>Operating</u>	
Weighted-average remaining lease term in years	2.00	
Weighted-average discount rate	8.75%	

SUPPLEMENTARY INFORMATION

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal Assistance Listing	Grant Identifying Number	Federal Awards (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development (DWD)					
Workforce Investment Act (WIOA) Cluster					
WIOA Adult Program (PY21 Program)	17.258	WIOA2109	393,530	\$ 181,828	\$ 125,567
WIOA Adult Program (PY21 Admin)	17.258	WIOA2109	43,725	16,228	-
WIOA Adult Program (PY22 Program)	17.258	WIOA2209	337,688	189,910	138,465
WIOA Adult Program (PY22 Admin)	17.258	WIOA2209	37,521	37,521	-
WIOA Adult Program - PSG	17.258	PSG2109	467,500	276,552	242,499
				702,039	506,531
WIOA Youth Program (PY21 Program)	17.259	WIOA2109	424,580	101,258	62,405
WIOA Youth Program (PY21 Admin)	17.259	WIOA2109	47,176	26,103	-
WIOA Youth Program (PY22 Program)	17.259	WIOA2209	364,093	239,676	192,286
WIOA Adult Program - PSG	17.259	PSG2209	374,000	220,613	191,263
				587,650	445,954
WIOA Dislocated Worker Program (PY21 Program)	17.278	WIOA2109	407,245	164,213	107,832
WIOA Dislocated Worker Program (PY21 Admin)	17.278	WIOA2109	45,249	21,891	-
WIOA Dislocated Worker Program (PY22 Program)	17.278	WIOA2209	353,134	217,098	156,249
WIOA Dislocated Worker Program (PY22 Admin)	17.278	WIOA2209	39,237	5,379	-
				408,581	264,080
Subtotal for WIOA Cluster passed through DWD				1,698,270	1,216,565
WIOA National Dislocated Workers - Disaster Recovery					
WIOA National Dislocated Worker Grant - COVID-19	17.277	ERCOVID2009	462,931	169,640	155,174
WIOA National Dislocated Worker Grant	17.277	DWOP909	1,000,806	229,613	238,475
WIOA National Dislocated Worker Grant	17.277	QUEST2209	269,500	490	490
Subtotal for WIOA National Dislocated Worker Disaster Recovery passed through DWD				399,743	394,140
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA2209	49,259	49,259	14,500
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2209	120,000	120,000	120,000
				169,259	134,500
Disabled Veterans' Outreach Program (DVOP)					
Disabled Veterans' Outreach Program (DVOP)	17.801	IFA 2209	22,579	22,579	6,750
				22,579	6,750
Local Veterans' Employment Representative (LVER)					
Local Veterans' Employment Representative (LVER)	17.804	IFA 2209	7,526	7,526	2,250
				7,526	2,250
Subtotal for Employment Service Cluster passed through DWD				199,364	143,500

See accompanying notes to Schedule of Expenditures of Federal Awards.

SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal Assistance Listing	Grant Identifying Number	Federal Awards (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor (continued)					
Indiana Department of Workforce Development (DWD) (continued)					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2109	253,000	\$ 144,140	\$ 112,184
Unemployment Insurance Recovery	17.225	RESEA 2209	174,308	140,119	123,858
Subtotal Unemployment Insurance Recovery				284,259	236,042
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	IFA 2209	5,268	5,268	1,500
				5,268	1,500
Apprenticeship USA Expansion and Innovation Grants					
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI2009	170,000	67,315	65,875
Apprenticeship USA Expansion and Innovation Grants	17.285	ABA2209	397,500	127	127
				67,442	66,002
Passed through Tecumseh Area Partnership					
H-1B Jobs Training Grant					
	17.268	H-1B	242,500	74,140	74,140
				74,140	74,140
Total for U.S. Department of Labor				2,728,486	2,131,889
U.S. Department of Education					
Indiana Department of Workforce Development (DWD)					
Vocational Rehabilitation	84.126	PRESTS2109	252,377	82,506	82,506
Vocational Rehabilitation	84.126	PRETS2209	91,100	91,100	91,100
Total for U.S. Department of Education				173,606	173,606
Total passed through DWD				2,654,346	2,057,749
Total Expenditures of Federal Awards				\$ 2,902,092	\$ 2,305,495

See accompanying notes to Schedule of Expenditures of Federal Awards.

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Southeast Indiana Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Southeast Indiana Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Southeast Indiana Workforce Investment Board, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

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:			
Work Ready Grant	WRG2109	225,000	\$ 157,287
Next Level Jobs Employer Training Grant	NLJETG2109	2,347,076	439,363
Jobs for America's Graduates	JAG 2209	583,200	430,544
Jobs for America's Graduates	JAG 2109	311,477	1,858
Strata JAG	SJAG 9-09	118,750	<u>104,415</u>
Total Expenditures of State and Local Awards			<u><u>\$ 1,133,467</u></u>

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

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

Section III – Federal Awards Findings and Questioned Costs

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Southeast Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 March 13, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

March 13, 2024



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
Southeast Indiana Workforce Investment Board, Inc.
Columbus, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southeast Indiana Workforce Investment Board, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Southeast Indiana Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2023. Southeast Indiana Workforce Investment Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southeast Indiana Workforce Investment Board, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southeast Indiana Workforce Investment Board, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southeast Indiana Workforce Investment Board, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Southeast Indiana Workforce Investment Board, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
March 13, 2024

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

Type of auditor’s report issued: Unmodified

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

Program tested as major program:

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

**Represents WIOA Cluster*

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

Auditee qualified as low-risk auditee? Yes No

**SOUTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

There were no financial statement findings for the current year ended June 30, 2023.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the current year ended June 30, 2023.