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August 19, 2024

Board of Directors  
South Central Region 8 Workforce Board, Inc.  
Monroe County, Indiana

We have reviewed the audit report of the South Central Region 8 Workforce 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 the South Central Region 8 Workforce 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

**South Central Region 8  
Workforce 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*

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
South Central Region 8 Workforce Board, Inc.  
Bloomington, Indiana

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Central Region 8 Workforce Board, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of South Central Region 8 Workforce Board, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Central Region 8 Workforce Board, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2024 on our consideration of South Central Region 8 Workforce Board, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of South Central Region 8 Workforce Board, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering South Central Region 8 Workforce Board, Inc.'s internal control over financial reporting and compliance.

***Comer, Nowling And Associates, P.C.***

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

March 15, 2024

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

<b>ASSETS</b>		<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS:</b>			
Cash		\$ 350,467	\$ 409,030
Grants receivable		501,431	383,865
Prepaid expenses		830	830
Total current assets		<u>852,728</u>	<u>793,725</u>
Total assets		<u>\$ 852,728</u>	<u>\$ 793,725</u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable		\$ 387,924	\$ 451,932
Accrued expenses		425,900	341,793
Total current liabilities		<u>852,728</u>	<u>793,725</u>
NET ASSETS - WITHOUT DONOR RESTRICTIONS		-	-
NET ASSETS - WITH DONOR RESTRICTIONS		-	9,539
Total net assets		<u>-</u>	<u>-</u>
Total liabilities and net assets		<u>\$ 852,728</u>	<u>\$ 793,725</u>

See accompanying notes to financial statements.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
Federal grant revenue	\$ 3,192,659	\$ 3,099,424
Other grant revenue	1,124,735	1,325,011
Total revenue	4,317,394	4,424,435
 <b>EXPENSES</b>		
Program activities	4,224,054	4,214,209
Management and general	93,340	219,765
Total expenses	4,317,394	4,433,974
 <b>CHANGE IN NET ASSETS</b>	-	(9,539)
<b>NET ASSETS, BEGINNING OF YEAR</b>	-	9,539
<b>NET ASSETS, END OF YEAR</b>	\$ -	\$ -

See accompanying notes to financial statements.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>OPERATING EXPENSES</b>	<u>Program</u>	<u>Management and General</u>	<u>2023 Totals</u>
Professional fees	\$ -	\$ 90,500	\$ 90,500
Liability insurance	-	2,840	2,840
Outreach	8,950	-	8,950
Direct client services	843,942	-	843,942
Sub-contractor expenses	<u>3,371,162</u>	<u>-</u>	<u>3,371,162</u>
Total expenses	<u>\$ 4,224,054</u>	<u>\$ 93,340</u>	<u>\$ 4,317,394</u>

See accompanying notes to financial statements.

**SOUTH CENTRAL REGION 8 WORKFORCE 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>
<b>OPERATING EXPENSES</b>			
Travel	\$ -	\$ 17	\$ 17
Professional fees	-	90,496	90,496
Liability insurance	-	2,591	2,591
Outreach	3,950	2,414	6,364
Direct client services	1,309,621	-	1,309,621
Sub-contractor expenses	<u>2,900,638</u>	<u>124,247</u>	<u>3,024,885</u>
Total expenses	<u>\$ 4,214,209</u>	<u>\$ 219,765</u>	<u>\$ 4,433,974</u>

See accompanying notes to financial statements.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ -	\$ (9,539)
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	(117,566)	(68,030)
Prepaid expenses	-	289
Accounts payable	(64,008)	57,621
Accrued expenses	84,107	58,570
Net cash provided by (used in) operating activities	(58,563)	38,911
<b>CASH, BEGINNING OF YEAR</b>	<b>409,030</b>	<b>370,119</b>
<b>CASH, END OF YEAR</b>	<b>\$ 350,467</b>	<b>\$ 409,030</b>

See accompanying notes to financial statements.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF OPERATIONS**

South Central Region 8 Workforce Board, Inc. (the “Organization”) is an Indiana non-profit corporation comprised of representatives from the private sector, labor, education, economic development, and community-based organizations. The Organization provides policy guidance and oversight to the WorkOne system in Indiana's Region 8 Economic Growth Region. The Region 8 Economic Growth Region includes Brown, Daviess, Greene, Lawrence, Martin, Monroe, Orange, and Owen counties.

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

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

**BASIS OF ACCOUNTING**

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

**FINANCIAL STATEMENT PRESENTATION**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, South Central Region 8 Workforce Board, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

*Net assets without donor restrictions* represent the portion of net assets of South Central Region 8 Workforce Board, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

*Net assets with donor restrictions* represent contributions and other inflows of assets whose use by South Central Region 8 Workforce Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of South Central Region 8 Workforce Board, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

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

**SOUTH CENTRAL REGION 8 WORKFORCE 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. The Organization did not receive contributions during the years ended June 30, 2023 and 2022.

**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.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**USE OF ESTIMATES**

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

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

**COST ALLOCATION**

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

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

**INCOME TAX STATUS**

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

**TAX BENEFITS**

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

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

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**SUBSEQUENT EVENTS**

Subsequent events are evaluated through March 15, 2024, which is the date the financial statements were available to be issued.

**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	<u>\$ 501,431</u>	<u>\$ 383,865</u>

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains a cash balance at a single bank. The account is insured the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2023 and 2022. At June 30, 2023 and 2022, there were bank balances in excess of FDIC coverage were \$101,852 and \$160,360, respectively.

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

Financial awards from federal, state, and local governmental entities in the form of grants are subject to financial and compliance audits by funding agencies. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined 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 \$262,880 and \$262,880, 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.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 5 – 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 no unrestricted net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2023 and 2022, financial assets available for cash needs of general expenditures within one year are \$851,898 and \$792,895, respectively.

## **SINGLE AUDIT SECTION**

**SOUTH CENTRAL REGION 8 WORKFORCE 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 Award (in dollars \$)	Federal Expenditure	Subrecipient Pass Through
<b>U.S. Department of Labor</b>					
<b>Indiana Department of Workforce Development ("DWD")</b>					
<b>Workforce Investment Act Cluster (WIA)</b>					
WIOA Adult Program (PY22 Program)	17.258	WIOA 2208	443,673	\$ 333,529	\$ 332,343
WIOA Adult Program (PY22 Program)	17.258	WIOA 2208	49,297	49,297	38,908
WIOA Adult Program (PY21 Admin)	17.258	WIOA 2108	56,677	19,989	19,989
WIOA Adult Program (PY21 Program)	17.258	WIOA 2108	510,093	147,371	146,874
				<u>550,186</u>	<u>538,114</u>
WIOA Youth Activities (PY22 Program)	17.259	WIOA 2208	499,839	241,058	240,370
WIOA Youth Activities (PY22 Admin)	17.259	WIOA 2208	55,538	36,140	26,039
WIOA Youth Activities (PY21 Program)	17.259	WIOA 2108	566,564	390,496	390,016
WIOA Youth Activities (PY21 Admin)	17.259	WIOA 2108	62,951	38,949	31,374
WIOA Youth Activities	17.259	PSG2108	411,034	317,430	304,222
				<u>1,024,073</u>	<u>992,021</u>
WIOA Dislocated Worker Formula Grants (PY22 Program)	17.278	WIOA 2208	396,868	285,159	285,158
WIOA Dislocated Worker Formula Grants (PY22 Program)	17.278	WIOA 2208	44,096	44,096	33,417
WIOA Dislocated Worker Formula Grants (PY21 Admin)	17.278	WIOA 2108	438,080	112,545	111,921
WIOA Dislocated Worker Formula Grants (PY21 Program)	17.278	WIOA 2108	48,676	30,218	30,218
WIOA Dislocated Worker Formula Grants	17.278	PSG2208	428,282	306,925	25,069
				<u>778,943</u>	<u>485,783</u>
<b>Subtotal for WIOA Cluster passed through DWD</b>				<b><u>2,353,202</u></b>	<b><u>2,015,918</u></b>
<b>Employment Service Cluster</b>					
Employment Service/Wagner-Peyser Funded Activities	17.207	BC2208	120,000	120,000	120,000
Employment Service/Wagner-Peyser Funded Activities	17.207	PSG2108	74,250	36,730	36,730
<b>Subtotal Employment Service Cluster passed through DWD</b>				<b><u>156,730</u></b>	<b><u>156,730</u></b>
<b>Unemployment Insurance Recovery</b>					
Unemployment Insurance Recovery	17.225	RESEA 2208	159,926	133,952	132,192
Unemployment Insurance Recovery	17.225	RESEA 2108	268,000	138,691	133,185
<b>Subtotal for Unemployment Insurance Recovery</b>				<b><u>272,643</u></b>	<b><u>265,377</u></b>
<b>Apprenticeship USA Expansion and Innovation Grants</b>					
Apprenticeship Board Association	17.285	ABA2208	547,500	2,244	2,227
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI2008	100,000	(349)	-
				<b><u>1,895</u></b>	<b><u>2,227</u></b>
<b>WIOA National Dislocated Worker Grants</b>					
WIOA National Dislocated Worker Grants - COVID-19	17.277	ERCOVID2008	450,000	235,802	229,708
				<b><u>235,802</u></b>	<b><u>229,708</u></b>
<b>Total for U.S. Department of Labor</b>				<b><u>\$ 3,020,272</u></b>	<b><u>\$ 2,669,960</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**SOUTH CENTRAL REGION 8 WORKFORCE 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 Award (in dollars \$)	Federal Expenditure	Subrecipient Pass Through
<b>U.S. Department of Education</b>					
<b>Indiana Department of Workforce Development ("DWD")</b>					
Vocational Rehabilitation	84.126	PRE-ETS2108	175,000	\$ 76,287	\$ 76,287
Vocational Rehabilitation	84.126	PRE-ETS2208	96,100	<u>96,100</u>	<u>96,100</u>
<b>Total for U.S. Department of Education</b>				<u>172,387</u>	<u>172,387</u>
<b>Total passed through DWD</b>				<u>3,192,659</u>	<u>2,842,347</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 3,192,659</u>	<u>\$ 2,842,347</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**SOUTH CENTRAL REGION 8 WORKFORCE 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of South Central Region 8 Workforce 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**

South Central Region 8 Workforce Board, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>STATE/LOCAL GRANTOR AGENCY</b>	<b>Grant or Identifying Number</b>	<b>State and Local Awards (in dollars \$)</b>	<b>State and Local Expended</b>
<b>Program Title</b>			
Indiana Department of Workforce Development:			
Jobs for America's Graduates	JAG2208	398,200	\$ 312,665
Jobs for America's Graduates	JAG2108	280,378	1,519
Strata JAG	SJAG908	118,750	90,000
Next Level Jobs Employer Training Grant	NLJETG2108	1,381,919	245,643
Workforce Ready Grant	WRG2108	906,400	472,447
GrantWatch	GWS908	14,312	2,461
			<u>2,461</u>
<b>Total Expenditures of State and Local Awards</b>			<u>\$ 1,124,735</u>

**SOUTH CENTRAL REGION 8 WORKFORCE 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 prior year ended June 30, 2022.

**Section III – Federal Award Findings and Questioned Costs**

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



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  
South Central Region 8 Workforce Board, Inc.  
Bloomington, 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 South Central Region 8 Workforce 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 15, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered South Central Region 8 Workforce Board, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Central Region 8 Workforce Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether South Central Region 8 Workforce Board, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 15, 2024



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  
South Central Region 8 Workforce Board, Inc.  
Bloomington, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited South Central Region 8 Workforce Board, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of South Central Region 8 Workforce Board, Inc.'s major federal programs for the year ended June 30, 2023. South Central Region 8 Workforce Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Central Region 8 Workforce Board, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Central Region 8 Workforce Board, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding South Central Region 8 Workforce Board, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of South Central Region 8 Workforce Board, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of South Central Region 8 Workforce Board, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***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 15, 2024

**SOUTH CENTRAL REGION 8 WORKFORCE 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 – 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

**SOUTH CENTRAL REGION 8 WORKFORCE 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.