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August 19, 2024

Board of Directors
Region 10 Workforce Investment Board, Inc.
Floyd County, Indiana

We have reviewed the audit report of the Region 10 Workforce Investment Board, Inc., which was opined upon by Comer, Nowling and Associates, PC, 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 Region 10 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, the audit report was prepared 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

**Region 10 Workforce
Investment Board, Inc.**



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

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Certified Public Accountants

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	15
Notes to Schedule of Expenditures of Federal Awards	17
Schedule of Expenditures of State and Local Awards.....	18
Summary Schedule of Prior Audit Findings.....	19
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 <i>Government Auditing Standards</i>	20
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance required by the <i>Uniform Guidance</i>	22
Schedule of Findings and Questioned Costs.....	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Region 10 Workforce Investment Board, Inc.
New Albany, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 19, 2024 on our consideration of Region 10 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 Region 10 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 Region 10 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 19, 2024

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS		2023	2022
		<u>2023</u>	<u>2022</u>
CURRENT ASSETS:			
Cash		\$ 447,419	\$ 251,650
Accounts receivable		817,730	361,165
Prepaid expenses		8,810	36,056
Deposit		11,950	11,950
Total current assets		<u>1,285,909</u>	<u>660,821</u>
OTHER ASSETS:			
Right-of-use operating lease asset		<u>679,490</u>	<u>-</u>
Total assets		<u>\$ 1,965,399</u>	<u>\$ 660,821</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 408,220	\$ 175,763
Deferred revenue		101,666	-
Accrued expenses		572,143	278,954
Right-of-use lease liability - current portion		155,505	-
Total current liabilities		<u>1,237,534</u>	<u>454,717</u>
LONG-TERM LIABILITIES:			
Right-of-use lease liability, net of current portion		<u>505,250</u>	<u>-</u>
Total liabilities		<u>1,742,784</u>	<u>454,717</u>
NET ASSETS:			
Without donor restrictions		64,013	49,486
With donor restrictions		158,602	156,618
Total net assets		<u>222,615</u>	<u>206,104</u>
Total liabilities and net assets		<u>\$ 1,965,399</u>	<u>\$ 660,821</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT						
Federal grant revenue	\$ 2,818,514	\$ -	\$ 2,818,514	\$ 2,401,689	\$ -	\$ 2,401,689
Other grant revenue	1,390,975	70,458	1,461,433	1,060,943	2,700	1,063,643
Miscellaneous income	19,493	-	19,493	3,794	-	3,794
Total revenue and support	<u>4,228,982</u>	<u>70,458</u>	<u>4,299,440</u>	<u>3,466,426</u>	<u>2,700</u>	<u>3,469,126</u>
Net assets released from restrictions	<u>68,474</u>	<u>(68,474)</u>	<u>-</u>	<u>70,585</u>	<u>(70,585)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>4,297,456</u>	<u>1,984</u>	<u>4,299,440</u>	<u>3,537,011</u>	<u>(67,885)</u>	<u>3,469,126</u>
EXPENSES						
Program activities	3,915,942	-	3,915,942	3,231,187	-	3,231,187
Management and general	366,987	-	366,987	333,703	-	333,703
Total expenses	<u>4,282,929</u>	<u>-</u>	<u>4,282,929</u>	<u>3,564,890</u>	<u>-</u>	<u>3,564,890</u>
CHANGE IN NET ASSETS	<u>14,527</u>	<u>1,984</u>	<u>16,511</u>	<u>(27,879)</u>	<u>(67,885)</u>	<u>(95,764)</u>
NET ASSETS, BEGINNING OF YEAR	<u>49,486</u>	<u>156,618</u>	<u>206,104</u>	<u>77,365</u>	<u>224,503</u>	<u>301,868</u>
NET ASSETS, END OF YEAR	<u>\$ 64,013</u>	<u>\$ 158,602</u>	<u>\$ 222,615</u>	<u>\$ 49,486</u>	<u>\$ 156,618</u>	<u>\$ 206,104</u>

See accompanying notes to financial statements.

REGION 10 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	\$ 409,131	\$ 130,943	\$ 540,074
Employee benefits	144,122	57,391	201,513
Travel	9,785	6,130	15,915
Facility expense	288,766	-	288,766
Communications	4,039	-	4,039
Technology	13,301	-	13,301
Office supplies	10,745	8,240	18,985
Office equipment	4,494	1,499	5,993
Professional fees	-	134,424	134,424
Liability insurance	-	6,942	6,942
Outreach	113,665	21,418	135,083
Training	645,221	-	645,221
Subcontracted expenses	<u>2,272,673</u>	<u>-</u>	<u>2,272,673</u>
Total expenses	<u>\$ 3,915,942</u>	<u>\$ 366,987</u>	<u>\$ 4,282,929</u>

See accompanying notes to financial statements.

REGION 10 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	\$ 268,076	\$ 139,941	\$ 408,017
Employee benefits	136,703	61,820	198,523
Travel	2,075	3,913	5,988
Facility expense	289,990	-	289,990
Communications	4,173	553	4,726
Technology	3,340	-	3,340
Office supplies	19,216	2,986	22,202
Office equipment	6,275	-	6,275
Professional fees	100	114,204	114,304
Liability insurance	-	6,680	6,680
Outreach	87,869	3,606	91,475
Training	503,012	-	503,012
Subcontracted expenses	<u>1,910,358</u>	<u>-</u>	<u>1,910,358</u>
Total expenses	<u>\$ 3,231,187</u>	<u>\$ 333,703</u>	<u>\$ 3,564,890</u>

See accompanying notes to financial statements.

REGION 10 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	\$ 16,511	\$ (95,764)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Accounts receivable	(456,565)	(37,199)
Prepaid expenses	27,246	(3,879)
Right-of-use operating lease	166,110	-
Accounts payable	232,457	166,562
Deferred revenue	101,666	-
Accrued expenses	293,189	53,596
Right-of-use operating lease liability	(184,845)	-
Net cash provided by (used in) operating activities	195,769	83,316
CASH, BEGINNING OF YEAR	251,650	168,334
CASH, END OF YEAR	\$ 447,419	\$ 251,650

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Region 10 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 10 Economic Growth Region. The Region 10 Economic Growth Region includes Clark, Crawford, Floyd, Harrison, Scott, and Washington 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, Region 10 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 Region 10 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 Region 10 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 Region 10 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.

REGION 10 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. During the years ended June 30, 2023 and 2022, the Organization received donor restricted contributions in the amounts of \$70,458 and \$2,700, respectively.

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.

REGION 10 WORKFORCE INVESTMENT 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.

REGION 10 WORKFORCE INVESTMENT 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 19, 2024, which is the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTS RECEIVABLE

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

	<u>2023</u>	<u>2022</u>
Indiana Department of Workforce Development	\$ 780,536	\$ 335,162
Other receivables	<u>37,194</u>	<u>26,003</u>
Total accounts receivable	<u>\$ 817,730</u>	<u>\$ 361,165</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balance at a bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023 and 2022, the Organization had bank balances in excess of FDIC limits by \$254,503 and \$1,660, 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.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2023 and 2022, the Organization controlled State owned equipment and furniture costing \$7,412 for both years. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

NOTE 5 – NET ASSETS

The restrictions on assets as of June 30, 2023 and 2022 primarily relate to non-federal grants specific assistance to the Organization and its programs, as specified by the donors. Those restrictions are considered to expire when funds are expended.

As of June 30, 2023 and 2022, donor restricted net assets summarized by restriction are as follows:

	<u>2023</u>	<u>2022</u>
Metro United Way Career Launch Program	\$ 45,529	\$ 63,244
Hands Up Scholarship Program	6,990	7,989
GKN	3,000	3,000
Scott County Community Foundation	5,207	5,207
AT&T Aspire Grant	1,757	1,757
Code Louisville	47,500	-
State of Workforce Summit	14,932	-
Eckerd Outreach & Recruitment	1,232	-
CenterPoint Energy Foundation	1	21,753
Public Library Foundation	-	2,700
Southern Indiana AMP	32,454	50,968
	<u>\$ 158,602</u>	<u>\$ 156,618</u>

NOTE 6 – EMPLOYEE RETIREMENT PLAN

The Organization has a simple IRA plan open to full-time employees with at least one full year of employment. Effective January 1, 2021, the Organization matches 100% of the employees' elective deferral up to 3% of wages annually. The Organization's contributions for the years ended June 30, 2023 and 2022 were \$4,626 and \$8,297, respectively.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 –LEASES

The Organization leases space for the operation of its programs. Rent expense for the years ended June 30, 2023 and 2022 was \$224,816 and \$219,462, respectively.

At June 30, 2023, aggregate future minimum rental payments required under a long-term lease, which expire in 2027 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	\$ 224,816	\$ 155,505
2025	224,816	189,486
2026	224,816	206,066
2027	112,408	109,698
2028	-	-
Thereafter	-	-
	<u>\$ 786,856</u>	<u>\$ 660,755</u>
	<u>Operating</u>	
Accumulated basis	\$ 914,909	
Less accumulated amortization	(235,419)	
	<u>\$ 679,490</u>	
	<u>Operating</u>	
Weighted-average remaining lease term in years	3.50	
Weighted-average discount rate	8.75%	

NOTE 8 – INFORMATION ABOUT LIQUIDITY

The Organization receives its funding through cost-reimbursement awards from governmental agencies. Since all allowable grant expenditures are reimbursed, the Organization has minimal net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2023 and 2022, financial assets available for cash needs of general expenditures within one year are \$1,106,547 and \$456,197, respectively after excluding donor restricted assets.

SUPPLEMENTARY INFORMATION

REGION 10 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	Federal Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (PY22 Program)	17.258	WIOA 2210	325,483	\$ 101,503	\$ 87,204
WIOA Adult Program (PY22 Admin)	17.258	WIOA 2210	36,164	23,463	-
WIOA Adult Program (PY21 Program)	17.258	WIOA 2110	378,065	268,422	157,384
WIOA Adult Program (PY21 Admin)	17.258	WIOA 2110	42,007	10,060	-
WIOA Adult Program	17.258	PSG2110	385,000	334,425	184,127
				<u>737,873</u>	<u>428,715</u>
WIOA Youth Activities (PY22 Program)	17.259	WIOA 2210	349,707	245,500	132,982
WIOA Youth Activities (PY22 Admin)	17.259	WIOA 2210	38,856	38,856	-
WIOA Youth Activities (PY21 Program)	17.259	WIOA 2110	406,959	11,874	3,143
WIOA Youth Activities (PY21 Admin)	17.259	WIOA 2110	45,217	20,893	-
WIOA Youth Activities	17.259	PSG2210	120,450	7,614	4,532
				<u>324,737</u>	<u>140,657</u>
WIOA Dislocated Worker Formula Grants (PY22 Program)	17.278	WIOA 2210	447,207	371,591	181,260
WIOA Dislocated Worker Formula Grants (PY22 Admin)	17.278	WIOA 2210	49,690	49,690	-
WIOA Dislocated Worker Formula Grants (PY21 Program)	17.278	WIOA 2110	501,841	451,927	278,580
WIOA Dislocated Worker Formula Grants (PY21 Admin)	17.278	WIOA 2110	55,760	4,789	-
				<u>877,997</u>	<u>459,840</u>
Subtotal for WIOA Cluster passed through DWD				<u>1,940,607</u>	<u>1,029,212</u>
WIOA National Dislocated Worker Formula Grants					
WIOA National Dislocated Worker Formula Grants	17.277	DWOP910	873,121	41,060	36,026
WIOA National Dislocated Worker Formula Grants - COVID-19	17.277	ERCOVID	667,755	59,160	49,058
				<u>100,220</u>	<u>85,084</u>
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 2210	96,738	96,738	-
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2210	120,000	120,000	-
Employment Service/Wagner-Peyser Funded Activities	17.207	PSG2110	112,500	112,500	69,800
				<u>329,238</u>	<u>69,800</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 2210	14,020	14,020	-
				<u>14,020</u>	-
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 2210	14,020	14,020	-
				<u>14,020</u>	-
Subtotal for Employment Service Cluster passed through DWD				<u>\$ 357,278</u>	<u>\$ 69,800</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

REGION 10 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 Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor - (continued)					
Indiana Department of Workforce Development ("DWD")					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2210	292,963	\$ 118,269	\$ 103,300
Unemployment Insurance Recovery	17.225	RESEA 2110	268,000	191,567	158,360
Subtotal for Unemployment Insurance Recovery				309,836	261,660
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	IFA 2210	8,412	8,412	-
Subtotal for Trade Adjustment Assistance				8,412	-
Apprenticeship USA Expansion and Innovation Grants					
Apprenticeship USA Expansion and Innovation Grants	17.285	APPEXP2010	100,000	12,091	-
				12,091	-
Tecumseh Area Partnership					
Jobs Training Grant	17.268	H-1B	250,000	47,064	41,029
Subtotal for H1-B Jobs Training Grants				47,064	41,029
Total for U.S. Department of Labor				2,775,508	1,486,785
U.S. Department of Education					
Indiana Department of Workforce Development ("DWD")					
Vocational Rehabilitation Grant	84.126	Pre-ETS 2210	50,000	16,531	16,531
Vocational Rehabilitation Grant	84.126	Pre-ETS 2110	73,600	26,475	26,475
Total for U.S. Department of Education				43,006	43,006
Total Expenditures of Federal Awards				\$ 2,818,514	\$ 1,529,791

See accompanying Notes to the Schedule of Expenditures of Federal Awards

REGION 10 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 Region 10 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2023. The information in the 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 Region 10 Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Region 10 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

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

**REGION 10 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:			
Jobs for America's Graduates	JAG 2210	300,000	\$ 164,420
Jobs for America's Graduates	JAG 2110	256,534	87,807
Strata JAG	SJAG-910	240,000	103,804
DWD IFA Partners		7,092	7,092
Jobs for Hoosiers	PSG 2110	22,500	18,100
Workforce Ready	WRG 2110	470,000	343,770
Next Level Jobs - Employer Training Grants	NLJETG 2110	1,486,583	<u>652,789</u>
Total Expenditures of State and Local Awards			<u><u>\$ 1,377,782</u></u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR YEAR 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
Region 10 Workforce Investment Board, Inc.
New Albany, 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 Region 10 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 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Region 10 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 Region 10 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, 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 Region 10 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 19, 2024



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**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
Region 10 Workforce Investment Board, Inc.
New Albany, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Region 10 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 Region 10 Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2023. Region 10 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, Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 Region 10 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 19, 2024

**REGION 10 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>Assistance Listing 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

* Represents cluster

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

Auditee qualified as low-risk auditee? Yes No

REGION 10 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.