



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

April 11, 2024

Board of Directors  
Alliance for Strategic Growth, Inc.  
Delaware County, Indiana

We have reviewed the audit report of Alliance for Strategic Growth, Inc. which was opined upon by Wipfli LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Alliance for Strategic Growth, Inc. as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Wipfli LLP prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA  
Deputy State Examiner

# Alliance for Strategic Growth, Inc.

Muncie, Indiana

Financial Statements and  
Supplementary Information

Years Ended June 30, 2022 and 2021



**WIPFLI**

# Alliance for Strategic Growth, Inc.

Financial Statements and Supplementary Information  
Years Ended June 30, 2022 and 2021

---

## Table of Contents

Independent Auditor’s Report .....	1
Financial Statements	
Statements of Financial Position .....	4
Statements of Activities .....	5
Statements of Functional Expenses .....	7
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9
Supplementary Information	
Schedule of Expenditures of Federal Awards and Other Financial Assistance .....	15
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>Governmental Auditing Standards</i> .....	18
Independent Auditor’s Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	20
Schedule of Findings and Questioned Costs .....	23

## **Independent Auditor's Report**

Board of Directors  
Alliance for Strategic Growth, Inc.  
Muncie, Indiana

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Alliance for Strategic Growth, Inc. (a nonprofit "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance for Strategic Growth as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We have conducted our audit 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 Alliance for Strategic Growth's 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 opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 a 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 judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 judgement, there are conditions or events, considered in the aggregate, that arise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with government 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and other financial assistance, 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. In our opinion, the information 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 6, 2023, on our consideration of the Alliance for Strategic Growth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance for Strategic Growth's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Madison, Wisconsin

March 6, 2023

# Alliance for Strategic Growth, Inc.

## Statements of Financial Position

June 30, 2022 and 2021

	<i>Assets</i>	<b>2022</b>	<b>2021</b>
<hr/>			
Current assets:			
Cash and cash equivalents		\$ 382,018	\$ 339,080
Grants receivable		522,077	510,427
Prepaid expenses		58,264	48,189
<hr/>			
Total current assets		962,359	897,696
<hr/>			
Other assets:			
Beneficial interest in assets held by another		10,257	11,583
<hr/>			
<b>TOTAL ASSETS</b>		<b>\$ 972,616</b>	<b>\$ 909,279</b>
<hr/>			
<i>Liabilities and Net Assets</i>			
<hr/>			
Current liabilities:			
Accounts payable		\$ 475,055	\$ 573,916
Accrued payroll and related expenses		70,173	62,802
Refundable advance liability		192,476	25,147
<hr/>			
Total current liabilities		737,704	661,865
<hr/>			
Net assets:			
Without donor restrictions		220,744	232,244
With donor restrictions		14,168	15,170
<hr/>			
Total net assets		234,912	247,414
<hr/>			
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 972,616</b>	<b>\$ 909,279</b>
<hr/>			

See accompanying notes to financial statements.

# Alliance for Strategic Growth, Inc.

## Statements of Activities

Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 4,298,515	\$ 0	\$ 4,298,515
Other revenue	( 454)	( 1,002)	( 1,456)
Total revenue	4,298,061	( 1,002)	4,297,059
Expenses:			
Program activities:			
WIOA adult	484,809	0	484,809
WIOA youth	886,745	0	886,745
WIOA dislocated worker	1,207,038	0	1,207,038
Job's for America's Graduates	333,412	0	333,412
Wagner Peyser	116,967	0	116,967
Unemployment insurance	237,162	0	237,162
Other program activities	681,050	0	681,050
Total program expenses	3,947,183	0	3,947,183
Management and general	362,378	0	362,378
Total expenses	4,309,561	0	4,309,561
Change in net assets	( 11,500)	( 1,002)	( 12,502)
Net assets at beginning of year	232,244	15,170	247,414
Net assets at end of year	\$ 220,744	\$ 14,168	\$ 234,912

# Alliance for Strategic Growth, Inc.

## Statements of Activities (Continued)

Years Ended June 30, 2022 and 2021

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 3,408,550	\$ 0	\$ 3,408,550
Other revenue	10,381	2,022	12,403
<b>Total revenue</b>	<b>3,418,931</b>	<b>2,022</b>	<b>3,420,953</b>
Expenses:			
Program activities:			
WIOA adult	697,308	0	697,308
WIOA youth	471,238	0	471,238
WIOA dislocated worker	892,899	0	892,899
Job's for America's Graduates	483,075	0	483,075
Wagner Peyser	117,126	0	117,126
Unemployment insurance	177,574	0	177,574
Other program activities	199,959	0	199,959
<b>Total program expenses</b>	<b>3,039,179</b>	<b>0</b>	<b>3,039,179</b>
<b>Management and general</b>	<b>381,597</b>	<b>0</b>	<b>381,597</b>
<b>Total expenses</b>	<b>3,420,776</b>	<b>0</b>	<b>3,420,776</b>
Change in net assets	( 1,845)	2,022	177
Net assets at beginning of year	234,089	13,148	247,237
<b>Net assets at end of year</b>	<b>\$ 232,244</b>	<b>\$ 15,170</b>	<b>\$ 247,414</b>

See accompanying notes to financial statements.

# Alliance for Strategic Growth, Inc.

## Statements of Functional Expenses Years Ended June 30, 2022 and 2021

	<b>2022</b>		
	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Total</b>
Expenses:			
Salaries, wages and employee benefits	\$ 848,275	\$ 246,453	\$ 1,094,728
Training and travel	26,830	48	26,878
Occupancy	149,215	46,930	196,145
Communications	23,423	2,522	25,945
Insurance	0	14,838	14,838
Supplies	93,987	691	94,678
Professional services	253,422	32,808	286,230
Dues and subscriptions	6,114	0	6,114
Miscellaneous	144,489	18,088	162,577
Client services	408,985	0	408,985
Subcontractors	1,992,443	0	1,992,443
<b>Total expenses</b>	<b>\$ 3,947,183</b>	<b>\$ 362,378</b>	<b>\$ 4,309,561</b>

	<b>2021</b>		
	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Total</b>
Expenses:			
Salaries, wages and employee benefits	\$ 706,452	\$ 256,572	\$ 963,024
Training and travel	3,521	127	3,648
Occupancy	125,366	49,339	174,705
Communications	18,976	3,234	22,210
Insurance	0	15,827	15,827
Supplies	30,882	193	31,075
Professional services	162,831	45,616	208,447
Dues and subscriptions	11,278	0	11,278
Miscellaneous	1,803	10,689	12,492
Subcontractors	1,978,070	0	1,978,070
<b>Total expenses</b>	<b>\$ 3,039,179</b>	<b>\$ 381,597</b>	<b>\$ 3,420,776</b>

# Alliance for Strategic Growth, Inc.

## Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	(\$ 12,502)	\$ 177
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in beneficial interest in assets held by another	1,326	( 1,722)
Changes in operating assets and liabilities:		
Grants receivable	( 11,650)	( 154,403)
Accounts receivable	0	1,695
Prepaid expenses	( 10,075)	3,093
Accounts payable	( 98,861)	153,391
Accrued payroll and related expenses	7,371	( 886)
Refundable advance liability	167,329	( 97,854)
Net cash from operating activities	42,938	( 96,509)
Changes in cash and cash equivalents	42,938	( 96,509)
Cash and cash equivalents at beginning of year	339,080	435,589
Cash and cash equivalents at end of year	\$ 382,018	\$ 339,080

See accompanying notes to financial statements.

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Alliance for Strategic Growth, Inc. (ASG) was organized as a nonprofit corporation on July 30, 2002. ASG was formed to seek, plan, manage and assure the provisions of workforce investment activities, through state-wide and local workforce investment systems that increase the employment, retention, and earnings of participants, and increase occupational skill obtainment by customers, and as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of customers. Currently the corporation oversees Workforce Development Services provided in the nine-county area of Blackford, Delaware, Henry, Jay, Randolph, Wayne, Rush, Fayette, and Union counties in Indiana. Approximately 99% of the total revenue is federal pass-through funding or state funding received from the State of Indiana, Department of Workforce Development for the years ending June 30, 2022 and 2021.

#### **Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

#### **Classification of Net Assets**

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ASG are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

ASG considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

ASG's grant awards are contributions which are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

#### **Property and Equipment**

Property and equipment purchased with grant funds is overseen by the State of Indiana while used in the programs. The value of this property is not presented in ASG's financial statements since this property is owned by the State of Indiana or the Federal government.

#### **Income Taxes**

ASG is a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and Indiana income taxes.

ASG is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. ASG has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

---

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Functional Allocation of Costs**

The costs of program and supporting services activities have been summarized on a functional basis on the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Other operating costs are allocated based upon utilization.

The State of Indiana Department of Workforce Development has implemented the Workforce Innovation and Opportunity Act requirement to share infrastructure and additional costs associated with the WorkOne Centers through an Infrastructure Funding Agreement (IFA). This agreement establishes the method of allocating costs based on the benefit received by each partner. ASG allocates its portion of the shared costs per its cost allocation plan. For June 30, 2022 and 2021, the partners included in the IFA paid \$116,004 and \$85,200, respectively, of the WorkOne Center costs. The amount of the IFA reimbursement is subject to change dependent on the costs of the WorkOne Centers and the partners included in the IFA.

#### **Upcoming Accounting Pronouncement**

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASG is currently evaluating the effects of this ASU.

#### **Subsequent Event**

Subsequent events have been evaluated through March 6, 2023, which is the date the financial statements were available to be issued.

### **Note 2: Concentration of Credit Risk**

ASG maintains cash at one financial institution. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year balances in this account may exceed the insurance limits. Management believes this financial institution has a strong credit rating and credit risk related to these deposits is minimal.

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

### Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of statement of financial position date, are comprised of the following as of June 30:

	2022	2021
Cash and cash equivalents	\$ 382,018	\$ 339,080
Grants receivable	522,077	510,427
Subtotal financial assets	904,095	849,507
Less: accounts payable restricted for grant expenditures	475,055	573,916
Less: accrued payroll and related expenses	70,173	62,802
Less: refundable advance liability	192,476	25,147
Less: cash and cash equivalents included in net assets with donor restrictions	3,911	3,587
Total	\$ 162,480	\$ 184,055

ASG does not have a formal liquidity policy. ASG can rely on lower balances of available financial assets as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source. ASG has grant commitments for future expenses of approximately \$3,080,000 at June 30, 2022.

### Note 4: Grants Receivable

Grants receivable at June 30, 2022 and 2021, consist of \$522,077 and \$510,427 due from the Indiana Department of Workforce Development.

### Note 5: Beneficial Interest in Assets Held by Another/Net Assets With Donor Restrictions

Beneficial interest in assets held by another represents amounts held by the Blackford County Community Foundation (BCCF). BCCF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to preserve the purchasing power of the endowment assets. Endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles and to ensure that any risk assumed is commensurate with the given investment vehicles and ASG's objectives.

Changes in the fair value of funds held by BCCF are classified as net assets with donor restrictions. Changes in the endowment fund were as follows:

	2022	2021
Balance at beginning	\$ 11,583	\$ 9,861
Investment earnings (loss)	( 1,002)	2,022
Distributions	( 324)	( 300)
Balance at end	\$ 10,257	\$ 11,583

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

### Note 5: Beneficial Interest in Assets Held by Another/Net Assets With Donor Restrictions (Continued)

Distributions to ASG are to be used for the purpose of helping displaced workers living in Blackford County; therefore, unspent distributions received by ASG totaling \$3,911 and \$3,587 as of June 30, 2022 and 2021, are reported as net assets with donor restrictions until spent.

### Note 6: Fair Value Measurements

Financial accounting standards related to fair value measurements describe a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, ASG measures fair values determined by Level 1 inputs utilizing quoted market prices in active markets and fair values determined by Level 2 inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs utilize market value of the underlying assets, consisting mainly of securities which are valued based on quoted market prices, based on recent trading activity and other observable market data.

Information regarding the fair value measurements of assets measured on a recurring basis as of June 30, is as follows:

	2022			Total Assets at Fair Value
	Fair Value Measurements Using Level 1	Level 2	Level 3	
Assets:				
Investments at Blackford County Community Foundation	\$ 0	\$ 0	\$ 10,257	\$ 10,257

	2021			Total Assets at Fair Value
	Fair Value Measurements Using Level 1	Level 2	Level 3	
Assets:				
Investments at Blackford County Community Foundation	\$ 0	\$ 0	\$ 11,583	\$ 11,583

Investments with Blackford County Community Foundation are valued based upon ASG's allocable share in the market value of the underlying investments made by the Foundation as reported to the Foundation by a third-party trustee from published market quotes. The information used to record the fair value of these investments is provided by the Foundation and are considered to be significant unobservable inputs that are not verified by management. See Note 5 for detail of the changes in the Level 3 fair value measurements. There were no assets or liabilities measured on a non-recurring basis during 2022 or 2021.

# Alliance for Strategic Growth, Inc.

## Notes to Financial Statements

---

### Note 7: Operating Leases

ASG leases certain buildings and equipment under several operating leases. Total lease expense for ASG, net of amounts received under the IFA, for the years ended June 30, 2022 and 2021, was \$178,638 and \$159,053.

Future minimum lease payments, which are not reduced for future amounts to be received under the IFA, are as follows:

2023	\$ 238,869
2024	103,800
2025	96,600
2026	42,400
<hr/>	
Total	\$ 481,669

### Note 8: Retirement Plan

ASG has established a retirement plan authorized under Section 403(b) of the Internal Revenue Code that covers all regular employees. The Board of Directors determines the annual contribution, which was 7.5% of eligible wages for the years ended June 30, 2022 and 2021. The total retirement plan expense for the years ended June 30, 2022 and 2021, was \$48,110 and \$41,324.

### Note 9: Grant Awards

As of June 30, 2022, ASG had commitments for future funding under various grant awards of approximately \$3,080,000. The revenue relating to these grants is not recognized in the accompanying financial statements as the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the future. As of June 30, 2022, ASG had commitments to its subcontractors of approximately \$870,000.

### Note 10: Related Party

A member of the Board of Directors is employed by the Indiana Department of Workforce Development that is the primary funding source for ASG.

# **Supplementary Information**

---

# Alliance for Strategic Growth, Inc.

## Schedule A

### Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended June 30, 2022

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF LABOR</b>						
<b>WIOA Cluster</b>						
17.258	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	0	\$ 204
17.258	WIOA2006	WIOA Adult	IN Dept. of Workforce Development	07/01/20-06/30/22	97,341	115,594
17.258	WIOA2016	WIOA Administration	IN Dept. of Workforce Development	07/01/21-06/30/23	0	45,080
17.258	WIOA2016	WIOA Adult	IN Dept. of Workforce Development	07/01/21-06/30/23	28,885	382,446
<b>Total Federal Expenditures AL #17.258</b>					<b>126,226</b>	<b>543,324</b>
17.259	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	0	17
17.259	WIOA2006	WIOA Youth	IN Dept. of Workforce Development	07/01/20-06/30/22	193,313	288,615
17.259	WIOA2106	WIOA Administration	IN Dept. of Workforce Development	07/01/21-06/30/23	0	70,674
17.259	WIOA2106	WIOA Youth	IN Dept. of Workforce Development	07/01/21-06/30/23	340,313	486,393
17.259	PSG2106	Governor's Reserve Administration	IN Dept. of Workforce Development	09/01/21-03/31/23	0	5,264
17.259	PSG2103	Governor's Reserve	IN Dept. of Workforce Development	09/01/21-03/31/23	88,550	135,937
<b>Total Federal Expenditures AL #17.259</b>					<b>622,176</b>	<b>986,900</b>
17.278	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	0	280
17.278	WIOA2006	WIOA Dislocated Worker	IN Dept. of Workforce Development	07/01/20-06/30/22	352,187	498,382
17.278	WIOA2106	WIOA Administration	IN Dept. of Workforce Development	07/01/21-06/30/23	0	65,479
17.278	WIOA2106	WIOA Dislocated Worker	IN Dept. of Workforce Development	07/01/21-06/30/23	100,000	391,293
17.278	RRCOVID2106	COVID-19 Rapid Response Administration	IN Dept. of Workforce Development	04/01/21-03/31/22	0	6,186
17.278	RRCOVID2106	COVID-19 Rapid Response	IN Dept. of Workforce Development	04/01/21-03/31/22	66,243	82,666
<b>Total Federal Expenditures AL #17.278</b>					<b>518,430</b>	<b>1,044,286</b>
<b>Total Federal Expenditures WIOA Cluster AL #17.258, #17.259, #17.278</b>					<b>1,266,832</b>	<b>2,574,510</b>
<b>Employment Service Cluster</b>						
17.207	BC2006	Wagner Peysner	IN Dept. of Workforce Development	07/01/20-12/31/21	0	159
17.207	BC2106	Wagner Peysner	IN Dept. of Workforce Development	07/01/21-12/31/22	0	120,000
<b>Total Federal Expenditures Employment Service Cluster AL #17.207</b>					<b>0</b>	<b>120,159</b>
17.225	RESEA2106	Unemployment Insurance Administration	IN Dept. of Workforce Development	01/01/21-09/30/22	0	19,175
17.225	RESEA2106	Unemployment Insurance	IN Dept. of Workforce Development	01/01/21-09/30/22	144,404	148,705
17.225	RESEA2006	Unemployment Insurance	IN Dept. of Workforce Development	01/01/20-08/15/21	45,512	94,929
<b>Total Federal Expenditures AL #17.225</b>					<b>189,916</b>	<b>262,809</b>

# Alliance for Strategic Growth, Inc.

Schedule A (Continued)

Schedule of Expenditures of Federal Awards and Other Financial Assistance (Continued)

Year Ended June 30, 2022

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
<b>DEPARTMENT OF LABOR (Continued)</b>						
17.277	DRCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	06/01/20-02/16/22	51,788	56,917
17.277	ERCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	09/04/20-05/15/22	48,855	138,958
17.277	DWOP906	COVID-19 Dislocated Worker / National Emergency Grants Administration	IN Dept. of Workforce Development	07/01/19-06/30/23	0	14,500
17.277	DWOP906	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	07/01/19-06/30/23	61,816	71,763
<b>Total Federal Expenditures AL #17.277</b>					<b>162,459</b>	<b>282,138</b>
17.285	ASEDR12006	Apprenticeship	IN Dept. of Workforce Development	07/01/19-05/15/22	0	11,229
17.268	RHG-606-20	Rural HealthCare Administrative	IN Dept. of Workforce Development	02/01/21-01/31/25	0	1,315
17.268	RHG-606-20	Rural HealthCare	IN Dept. of Workforce Development	02/01/21-01/31/25	27,370	27,370
<b>Total Federal Expenditures AL #17.268</b>					<b>27,370</b>	<b>28,685</b>
<b>DEPARTMENT OF LABOR TOTAL</b>					<b>1,646,577</b>	<b>3,279,530</b>
<b>DEPARTMENT OF THE TREASURY</b>						
21.019	WRGCARES2106	COVID-19 Coronavirus Relief Fund	IN Dept. of Workforce Development	09/30/21-12/31/21	27,151	30,785
<b>DEPARTMENT OF THE TREASURY TOTAL</b>					<b>27,151</b>	<b>30,785</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
93.558	JAGT2006	Job's for America's Graduates	IN Dept. of Workforce Development	10/01/20-09/30/21	0	8,017
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL</b>					<b>0</b>	<b>8,017</b>
<b>Total Federal Expenditures</b>					<b>\$ 1,673,728</b>	<b>\$ 3,318,332</b>

# Alliance for Strategic Growth, Inc.

## Schedule A (Continued)

### Schedule of Expenditures of Federal Awards and Other Financial Assistance (Continued)

Year Ended June 30, 2022

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
<b>STATE AND LOCAL PROGRAMS</b>						
N/A	JAG2006	Job's for America's Graduates - State Funds - Administration	IN Dept. of Workforce Development	07/01/20-12/31/21	0	237
N/A	JAG2006	Job's for America's Graduates - State Funds	IN Dept. of Workforce Development	07/01/20-12/31/21	104,286	126,650
N/A	JAG2106	Job's for America's Graduates - State Funds - Administration	IN Dept. of Workforce Development	07/01/21-12/31/22	0	21,350
N/A	JAG2106	Job's for America's Graduates - State Funds	IN Dept. of Workforce Development	07/01/21-12/31/22	171,204	207,844
N/A	WRG2106	WorkForce Ready - Administration	IN Dept. of Workforce Development	10/01/21-09/30/23	0	4,896
N/A	WRF2106	WorkForce Ready	IN Dept. of Workforce Development	10/01/21-09/30/23	43,225	43,225
N/A	NLJET2106	Next Level Jobs	IN Dept. of Workforce Development	05/01/21-12/31/23	0	523,070
N/A	NLJET2106	Next Level Jobs	IN Dept. of Workforce Development	05/01/21-12/31/23	0	48,052
N/A	N/A	Ball Brothers Foundation	Foundation		0	4,859
N/A	N/A	General Fund	Unrestricted		0	11,046
<b>Total State and Local Expenditures</b>					<b>\$ 318,715</b>	<b>\$ 991,229</b>
<b>Total Expenditures</b>					<b>\$ 1,992,443</b>	<b>\$ 4,309,561</b>

## Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and other financial assistance (the "Schedule") includes the federal award activity of Alliance for Strategic Growth, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Alliance for Strategic Growth, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Alliance for Strategic Growth, 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### Note 3 - 10% De Minimis

Alliance for Strategic Growth, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **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***

Board of Directors  
Alliance for Strategic Growth, Inc.  
Muncie, Indiana

We have audited, in accordance with the 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 Alliance for Strategic Growth, Inc., (the “Organization”) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’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 entity’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 financial statements. 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.

*Wipfli LLP*

Wipfli  
Madison, Wisconsin

March 6, 2023

## **Independent Auditor’s Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Alliance for Strategic Growth, Inc.  
Muncie, Indiana

### **Report on Compliance for the Major Federal Program**

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

We have audited Alliance for Strategic Growth, Inc’s (the Organization) 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 its major federal program for the year ended June 30, 2022. The Organization’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Alliance for Strategic Growth complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

#### **Basis for Opinion on the 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 Principals, 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 the Organization 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 the Organization’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 the Organization’s federal programs.

## **Auditor's Responsibility 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 the Organization'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 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. 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 judgement made by a reasonable user of the report on compliance about the Organization'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 judgement 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 the Organization'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 internal control relevant 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 controls over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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, significant audit findings, and certain 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 have not been 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.

*Wipfli LLP*

Wipfli  
Madison, Wisconsin

March 6, 2023

# Alliance for Strategic Growth, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

---

### Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

### Federal Awards

Internal control over major federal program: Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

### Identification of major federal program:

<u>Name of Federal Major Program or Cluster</u>	<u>AL No.</u>
<ul style="list-style-type: none"><li><b>U.S. Department of Labor</b></li></ul>	
Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258, 17.259 and 17.278
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

### **Section II - Financial Statement Findings**

None

### **Section III - Federal Award Findings and Questioned Costs**

None

### **Section IV - Summary of Prior Year Findings**

None