



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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August 19, 2009

Board of Directors
Northeast Indiana Workforce
Investment Board, Inc.
300 E. Main St., Ste. 100
Fort Wayne, IN 46802

We have reviewed the audit report prepared by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2004 to June 30, 2005. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Northeast Indiana Workforce Investment Board, Inc., as of June 30, 2005, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
(Fort Wayne, Indiana)

FINANCIAL STATEMENTS
JUNE 30, 2005

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northeast Indiana Workforce Investment Board, Inc.
Fort Wayne, Indiana

We have audited the accompanying statements of financial position of Northeast Indiana Workforce Investment Board, Inc. ("NIWIB"), (a nonprofit organization) as of June 30, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the NIWIB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Indiana Workforce Investment Board, Inc. as of June 30, 2005, and the revenue, expenses and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2006 on our consideration of NIWIB's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of NIWIB taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management of NIWIB, applicable Federal agencies and other funding sources and should not be used for any other purpose

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

March 22, 2006

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2005

ASSETS

CURRENT ASSETS:

Cash	\$ 13,646
Accounts receivable	672,321
Prepaid expenses	<u>5,846</u>
Total current assets	<u><u>\$ 691,813</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 505,680
Accrued payroll and related expenses	27,830
Other accrued expenses	66,938
Deferred revenue	<u>107,197</u>
Total current liabilities	<u>707,645</u>

NET ASSETS - UNRESTRICTED	<u>(15,832)</u>
Total liabilities and net assets	<u><u>\$ 691,813</u></u>

See accompanying notes to financial statements.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE			
Revenue			
Grant revenue	\$ -	\$ 5,596,768	\$ 5,596,768
Interest income	167	-	167
Other income	4,219	-	4,219
Net assets released from restriction through satisfaction of program restrictions	5,489,571	(5,596,768)	(107,197)
Total revenue	<u>5,493,957</u>	<u>-</u>	<u>5,493,957</u>
EXPENSES			
Program activities			
Adult	1,312,289	-	1,312,289
Dislocated worker	1,887,710	-	1,887,710
Youth	913,855	-	913,855
Incentive	92,374	-	92,374
Technical assistance	20,000	-	20,000
Rapid response	33,020	-	33,020
Reed Act	432,347	-	432,347
Energize Indiana	83,920	-	83,920
Supplemental	369,619	-	369,619
Other programs	66,892	-	66,892
Total program activities	<u>5,212,026</u>	<u>-</u>	<u>5,212,026</u>
Management and general	297,763	-	297,763
Total expenses	<u>5,509,789</u>	<u>-</u>	<u>5,509,789</u>
Decrease in net assets	(15,832)	-	(15,832)
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ (15,832)</u>	<u>\$ -</u>	<u>\$ (15,832)</u>

See accompanying notes to financial statements.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2005

	<u>Adult</u>	<u>Dislocated Worker</u>	<u>Youth</u>	<u>Incentive</u>	<u>Technical Assistance</u>
OPERATING EXPENSES					
Salaries	\$ 35,841	\$ 39,621	\$ 103,627	\$ -	\$ -
Employee benefits	4,959	5,719	14,025	-	-
Travel and staff development	2,759	3,044	16,633	-	-
Building rent	14,708	19,144	15,501	-	-
Telephone and internet	1,423	1,579	3,384	-	-
Office supplies	923	970	2,993	9,238	-
Computer software and hardware	3,341	4,600	1,920	10,915	-
Consultants	-	-	-	-	20,000
Other expenses	41,275	31,221	52,698	47,221	-
Insurance	347	383	1,058	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total WIB direct expenses by function	\$ 105,576	\$ 106,281	\$ 211,839	\$ 67,374	\$ 20,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Sub-contractor expenses by function	1,206,713	1,781,429	702,016	25,000	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses by function	<u>\$ 1,312,289</u>	<u>\$ 1,887,710</u>	<u>\$ 913,855</u>	<u>\$ 92,374</u>	<u>\$ 20,000</u>

See accompanying notes to financial statements.

<u>Rapid Response</u>	<u>Reed Act</u>	<u>Energize Indiana</u>	<u>Supplemental</u>	<u>Other Programs</u>	<u>Management And General</u>	<u>Totals</u>
\$ -	\$ 448	\$ 22,890	\$ 4,891	\$ 6,428	\$ 146,636	\$ 360,382
-	121	1,997	684	832	19,853	48,190
-	32	270	296	503	4,244	27,781
-	46	253	430	5,301	10,224	65,607
-	10	319	89	386	2,814	10,004
-	260	10,040	94	108	1,988	26,614
-	1	27,924	11	870	700	50,282
-	-	-	-	12,686	83,425	116,111
-	4,968	20,206	39,237	43	27,020	263,889
-	4	21	37	-	859	2,709
<u>\$ -</u>	<u>\$ 5,890</u>	<u>\$ 83,920</u>	<u>\$ 45,769</u>	<u>\$ 27,157</u>	<u>\$ 297,763</u>	<u>971,569</u>
<u>33,020</u>	<u>426,457</u>	<u>-</u>	<u>323,850</u>	<u>39,735</u>	<u>-</u>	<u>4,538,220</u>
<u>\$ 33,020</u>	<u>\$ 432,347</u>	<u>\$ 83,920</u>	<u>\$ 369,619</u>	<u>\$ 66,892</u>	<u>\$ 297,763</u>	<u>\$ 5,509,789</u>

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NORTHERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (15,832)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
(Increase) decrease in cash from changes in:	
Accounts receivable	(672,321)
Prepaid expenses	(5,845)
Increase (decrease) in cash from changes in:	
Accounts payable	505,679
Accrued payroll and related expenses	27,830
Other accrued expenses	66,938
Other accrued expenses	107,197
Net cash provided by operating activities	13,646
CASH, BEGINNING OF YEAR	-
CASH, END OF YEAR	\$ 13,646

See accompanying notes to financial statements.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Northeast Indiana Workforce Investment Board, Inc. (NIWIB) was originally organized in July, 1983 to oversee federal job training programs under the federal Job Training Partnership Act. At that time the agency was known as the Northeast Indiana Private Industry Council, Inc. The agency received its exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code in November 1984.

In 1999, the agency was renamed the Northeast Indiana Workforce Investment Board, Inc., as required by the Workforce Investment Act of 1998 (WIA) and Indiana Public Law 197 of 1999 (PL 197), and assumed the oversight and strategic planning responsibilities delineated by WIA.

NIWIB is primarily responsible for strategic planning for economic and workforce development, financial management, and oversight of the workforce development system in ten counties comprising the northeast Indiana region. This region includes Adams, Allen, DeKalb, Grant, Huntington, LaGrange, Noble, Steuben, Wells, and Whitley counties. In 2004, responsibility of the services and programs provided in Grant County were transferred from the Madison Grant Workforce Investment Board to NIWIB. On July 1, 2006, the northeast Indiana region will be called Economic Growth Region 3 and will be expanded to include Wabash County.

The agency is governed by a forty-three member board of directors appointed by the local elected mayors and county commissioners in the ten counties comprising the northeast Indiana region. The board membership reflects the participation requirements of WIA, with the majority (51 percent) of board members representing the private sector, plus representatives from education, organized labor, economic development entities, community-based organizations, and WorkOne (One-Stop) partners.

In June, 2004, at the request of the Local Elected Officials, the fiscal agent function of the workforce development system was transferred from JobWorks, Inc., the local workforce training service provider, to NIWIB.

NIWIB receives the majority of its financial support from federal and state government grants originating from the U.S. Department of Labor and the Indiana Department of Workforce Development. NIWIB intends to further expand its resource base through memberships, grants, corporate funding and contributions.

BASIS OF PRESENTATION

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.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME TAX STATUS

NIWIB 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).

EXPENSE ALLOCATIONS

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

GOVERNMENT GRANTS

Support funded by grants is recognized as the Organization performs the contracted services under grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. 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 deferred 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, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted.

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.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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.

PROPERTY AND EQUIPMENT

Property and equipment purchased by the Organization with general funds are stated at cost and depreciated over estimated useful lives of three to seven years using the straight-line method. The following is a summary of the lives for each class of asset:

Computer equipment	3 years
Office equipment	5 years
Office furniture	7 years

As of June 30, 2005, all property and equipment acquired by NIWIB were purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Any future assets acquired with Organization general funds would be recorded and depreciated as noted above. When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation would be eliminated from the accounts and any resulting gain or loss would be credited or charged to income. Expenditures for maintenance and repairs are expensed.

NOTE 2 – EMPLOYEE BENEFITS

The Organization has a 401(k) plan. Employees who have completed one month of service and are 21 years old are eligible to participate in this plan and may make elective contributions up to the limits imposed by Internal Revenue Code section 401(k). Employer contributions, which may be up to 6% of annual compensation, are vested over a three year period. Employer contributions for the year ended June 30, 2005, totaled \$13,911.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 3 – OPERATING LEASES

The Organization leases a facility and copier for operation of its programs. Rent expense for the year ended June 30, 2005 was \$39,588. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2005 are as follows:

2006	\$ 47,709
2007	47,989
2008	<u>11,997</u>
	<u>\$ 107,695</u>

NOTE 4 – COMPENSATED ABSENCES

Vacation Leave: NIWIB employees earn vacation leave at rates from ten days to thirty days per year based upon the number of years of service. Employees may carry over up to 40 hours of accumulated vacation leave at year end. Accumulated vacation leave is paid to employees through cash payments upon termination.

Personal leave: NIWIB employees earn 24 hours of paid time off (PTO) on the first day of each calendar year. Personal leave does not accumulate from year to year.

NOTE 5 – CONCENTRATION OF CREDIT RISK

The Organization maintains a cash balance at a single bank. The account is insured the Federal Deposit Insurance Corporation up to \$100,000. At times throughout the year, the balance in this account may exceed \$100,000.

NOTE 6 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2005 and 2004, the Organization controlled State owned equipment and furniture costing \$49,000. 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 NIWIB.

SUPPLEMENTARY INFORMATION

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
Passed through the Indiana Department of Workforce Development (DWD):			
Reed Act	17.xxx	RA-3-161	432,318
Wagner-Peyser/LVER/DVOP/UI	17.207	IS-4-161	824
Regional Skills Alliance	17.255	RSA-2-161	17,070
WIA Adult Program	17.258	WIA-3/4-161	1,777,166
WIA Rapid Response	12.758	DISC-4-161	30,000
WIA Youth Program	17.259	WIA-3/4-161	907,890
WIA Dislocated Workers	17.260	WIA-3/4-161	1,696,328
NER Adult and Dislocated Workers	17.260	NER-4-161	209,585
NER Supplemental Sub-state Funding	17.260	RRS-4-161	369,619
			<u>5,440,800</u>
Passed through East Central Opportunities, Inc. (ECO):			
Navigator Grant	17.266	NAVIGATOR	<u>48,773</u>
Total expenditures of federal awards			<u><u>\$ 5,489,573</u></u>

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Northeast Indiana Workforce Investment Board, Inc., and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2005

No matters were reported for the year ended June 30, 2004.



BUSINESS PLANNING
FINANCIAL STATEMENTS
BUSINESS VALUATIONS
TAX PLANNING
TAX PREPARATION

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Northeast Indiana Workforce Investment Board, Inc.
Fort Wayne, Indiana

We have audited the financial statements of Northeast Indiana Workforce Investment Board, Inc., (NIWIB) (a nonprofit organization), as of and for the year ended June 30, 2005, and have issued our report thereon dated March 22, 2006. We 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.

Compliance

As part of obtaining reasonable assurance about whether NIWIB's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered NIWIB's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We did however, note other matters involving the internal control over financial reporting, which we have reported to the management of Northeast Indiana Workforce Investment Board, Inc. in a separate letter dated March 22, 2006.

This report is intended solely for the information and use of the board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

March 22, 2006



BUSINESS PLANNING
FINANCIAL STATEMENTS
BUSINESS VALUATIONS
TAX PLANNING
TAX PREPARATION

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Northeast Indiana Workforce Investment Board, Inc.
Fort Wayne, Indiana

Compliance

We have audited the compliance of the Northeast Indiana Workforce Investment Board, Inc. (NIWIB) (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 2005. NIWIB's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of NIWIB's management. Our responsibility is to express an opinion on NIWIB's compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NIWIB's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of NIWIB's compliance with those requirements.

In our opinion, NIWIB complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The management of NIWIB is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered NIWIB's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

March 22, 2006

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ___ No x
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes ___ No x

Noncompliance material to financial statements noted? Yes ___ No x

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ___ No x
- Reportable condition(s) identified that are not considered to be material weaknesses? Yes ___ No x

Type of auditor’s report issued: Unqualified

Any audit findings disclosed required to be reported in Accordance with Section 510(a) of Circular A-133 Yes ___ No x

Program tested as major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258*	U.S. Dept. of Labor - WIA Adult Program
17.259*	U.S. Dept. of Labor - WIA Youth Activities
17.260*	U.S. Dept. of Labor - WIA Dislocated Workers

* Denotes a program cluster. A cluster of programs is treated as a single program for the purpose of meeting the audit requirements of OMB Circular A-133.

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? Yes ___ No x

NORTHEAST INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2005

Section II – Financial Statement Findings

There were no financial statement findings for the current year.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the current year.