



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B46011

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)

March 17, 2016

Board of Directors  
CLJ Associates, LLC  
2597 W. Vernal Pike  
Bloomington, IN 47404

We have reviewed the audit report prepared by Comer, Nowling and Associates, PC, for the period January 1, 2015 to December 31, 2015. 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 CLJ Associates, LLC, as of December 31, 2015, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

# CLJ Associates, LLC



**Financial Statements  
For The Years Ended  
December 31, 2015 and 2014**



*Certified Public Accountants*

**CLJ ASSOCIATES, LLC**

**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1</b>
 <b>FINANCIAL STATEMENTS</b>	
Balance Sheets.....	3
Statements of Revenue, Expenses and Changes in Members' Equity .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6

## **Independent Auditor's Report**

Limited Liability Company Members  
CLJ Associates, LLC  
Bloomington, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of CLJ Associates, LLC (a for-profit company) which comprise the balance sheets as of December 31, 2015 and 2014 and the related statements of revenues, expenses and changes in members' equity, and cash flows for the years then ended and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CLJ Associates, LLC as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Comer, Nowling And Associates, P.C.

February 01, 2016

**CLJ ASSOCIATES, LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
<b>Current assets</b>		
Cash	\$ 16,956	\$ 3,783
Claims receivable	28,881	27,885
Prepaid insurance	2,945	2,916
Total current assets	\$ 48,782	\$ 34,584
 <u>Liabilities and Members' Equity</u>		
<b>Current liabilities</b>		
Accounts payable	\$ 18,687	\$ 11,129
<b>Members' equity</b>		
Total liabilities and members' equity	30,095	23,455
	\$ 48,782	\$ 34,584

See accompanying notes to financial statements.

**CLJ ASSOCIATES, LLC**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Contract income	<u>\$ 340,496</u>	<u>\$ 334,620</u>
 <b>Expenses</b>		
Rent	14,448	14,273
Insurance	21,974	13,947
Telephone	3,306	3,111
Supplies	5,964	5,339
Travel, per diem and other reimbursable expenses	9,175	10,676
Simple plan	36,297	36,256
Other administrative expenses	<u>2,513</u>	<u>2,491</u>
Total expenses	<u>93,677</u>	<u>86,093</u>
<b>Excess of revenues over expenses</b>	246,819	248,527
<b>Member distributions</b>	(240,179)	(247,045)
<b>Members' equity, beginning of year</b>	<u>23,455</u>	<u>21,973</u>
<b>Members' equity, end of year</b>	<u><u>\$ 30,095</u></u>	<u><u>\$ 23,455</u></u>

See accompanying notes to financial statements.

**CLJ ASSOCIATES, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities:</b>		
Contract income collected	\$ 339,500	\$ 334,620
Cash paid for operating expenditures	<u>(86,148)</u>	<u>(87,673)</u>
Net cash provided by operating activities	<u>253,352</u>	<u>246,947</u>
<b>Cash flows from investing activities:</b>		
Member distributions	<u>(240,179)</u>	<u>(247,045)</u>
Net increase (decrease) in cash	<u>13,173</u>	<u>(98)</u>
<b>Cash, beginning of year</b>	<u>3,783</u>	<u>3,881</u>
<b>Cash, end of year</b>	<u><u>\$ 16,956</u></u>	<u><u>\$ 3,783</u></u>
<b>Reconciliation of excess of revenues over (under) expenses to net cash provided by (used in) operating activities:</b>		
<b>Excess of revenues over expenses</b>	\$ 246,819	\$ 248,527
<b>Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:</b>		
Changes in assets and liabilities:		
Claims receivable	(996)	-
Prepaid insurance	(29)	(19)
Account payable	<u>7,558</u>	<u>(1,561)</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 253,352</u></u>	<u><u>\$ 246,947</u></u>

See accompanying notes to financial statements.

**CLJ ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**NATURE OF OPERATIONS**

CLJ Associates, LLC, an Indiana limited liability company (the “Company”), was originally formed in 1983 for the purpose of providing management consulting, monitoring services, and technical assistance to non-profit organizations and units of state and local government. The firm specializes in employment and training program administration. The Company contracts with the South Central Region 8 Workforce Board, Inc. to serve as Regional Operator and staff to the Board. The South Central Region 8 is a regional workforce area comprised of the Indiana counties of Owen, Monroe, Brown, Greene, Daviess, Martin, Lawrence and Orange. The Regional Operator is responsible for oversight and management of the Federal and State funded workforce programs granted to the South Central Region 8 Workforce Board, Inc.

**BASIS OF PRESENTATION**

The financial statements of the Company have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

**PROPERTY AND EQUIPMENT**

As of December 31, 2015 and 2014, all property and equipment acquired by the Company were purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Any future assets acquired with Company 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.

**REVENUE RECOGNITION**

The Company contracts with the South Central Region 8 Workforce Board, Inc. to serve as Regional Operator and to staff the Board. These contracts require the Company to submit to the Board appropriate records of services provided. Revenues under the contracts are recognized as the services are provided.

**INCOME TAX STATUS**

The Company is structured as a limited liability company. In lieu of Company income taxes, the members of a limited liability company are taxed on their share of the Company’s taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

**CLJ ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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.

**ALLOCATION OF COSTS**

The Company allocates indirect costs to benefiting programs using direct labor hours charged to programs. Joint costs are those costs incurred for the common benefit of all Company programs, which cannot be readily identified with a final cost objective.

**CLAIMS RECEIVABLE**

Claims receivable are amounts due from the South Central Region 8 Workforce Board, Inc. Based upon collection history, amounts have been deemed as fully collectible and no allowance for uncollectible accounts has been recorded.

**ACCOUNTING FOR IMPAIRMENT**

*Accounting for the Impairment or Disposal of Long-Lived Assets* guidance, requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This guidance has not materially affected the Company's net change in member's equity, balance sheet or statement of cash flows.

**INCOME TAX BENEFIT OR LIABILITY**

Effective January 1, 2009, the Company adopted the accounting policy to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Company has examined this issue and has determined there are no material contingent tax liabilities at December 31, 2015 and 2014. The Company's federal tax returns for 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

**SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 01, 2016, which is the date the financial statements were available to be issued.

**CLJ ASSOCIATES, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 2 – STATE OWNED PROPERTY AND EQUIPMENT**

As of December 31, 2015 and 2014, the Company controlled State owned equipment and furniture costing \$28,128 and \$28,128, respectively. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Company.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

Revenues from federal, state and local government funded contracts represent 100% of the Company's total revenue and support for the years ended December 31, 2015 and 2014.

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 at this date.

**NOTE 4 – RETIREMENT PLAN**

The Company has a SIMPLE IRA plan (Savings Incentive Match Plan for Employees) covering all members. Under the plan, the Company makes contributions (up to 3% of compensation) to the plan for eligible LLC members. For the years ended December 31, 2015 and 2014, the Company contributions were \$5,297 and \$7,756, respectively. In addition, for the years ended December 31, 2015 and 2014, individual member discretionary contributions totaled \$31,000 and \$28,500, respectively.