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April 7, 2016

Board of Directors  
Region 10 Workforce Investment Board, Inc.  
P.O. Box 6712  
New Albany, IN 47150

We have reviewed the audit report prepared by Comer, Nowling and Associates, PC, for the period July 1, 2014 to June 30, 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 Region 10 Workforce Investment Board, Inc., as of June 30, 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

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

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**Financial Statements  
For The Years Ended  
June 30, 2015 and 2014  
(With Single Audit Section)**

**COMER**  **NOWLING**  
INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

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

**FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of Region 10 Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, 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 and the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Region 10 Workforce Investment Board, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

Our audits were conducted for the purpose of forming an opinion on the financial statements of Region 10 Workforce Investment Board, Inc. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 11, 2015 on our consideration of Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. 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.

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

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 11, 2015

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

<b>ASSETS</b>		<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS:</b>		<u>          </u>	<u>          </u>
Cash		\$ 96,024	\$ 80,645
Accounts receivable		185,404	309,277
Prepaid expenses		41,661	49,832
Deposit		<u>11,950</u>	<u>11,950</u>
Total current assets		<u>335,039</u>	<u>451,704</u>
Total assets		<u><u>\$ 335,039</u></u>	<u><u>\$ 451,704</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable		\$ 145,022	\$ 288,175
Deferred revenue		3,362	9,501
Accrued expenses		<u>27,422</u>	<u>11,860</u>
Total current liabilities		<u>175,806</u>	<u>309,536</u>
<b>NET ASSETS:</b>			
Unrestricted		77,646	78,630
Temporarily restricted		<u>81,587</u>	<u>63,538</u>
Total net assets		<u>159,233</u>	<u>142,168</u>
Total liabilities and net assets		<u><u>\$ 335,039</u></u>	<u><u>\$ 451,704</u></u>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>			
Federal grant revenue	\$ 2,206,079	\$ -	\$ 2,206,079
Other grant revenue	210,844	23,500	234,344
Miscellaneous income	10,451	-	10,451
Total revenue and support	<u>2,427,374</u>	<u>23,500</u>	<u>2,450,874</u>
Net assets released from restrictions	<u>5,451</u>	<u>(5,451)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>2,432,825</u>	<u>18,049</u>	<u>2,450,874</u>
<b>EXPENSES</b>			
Program activities	2,289,873	-	2,289,873
Management and general	143,936	-	143,936
Total expenses	<u>2,433,809</u>	<u>-</u>	<u>2,433,809</u>
<b>CHANGE IN NET ASSETS</b>	<u>(984)</u>	<u>18,049</u>	<u>17,065</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>78,630</u>	<u>63,538</u>	<u>142,168</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 77,646</u>	<u>\$ 81,587</u>	<u>\$ 159,233</u>

<b>2014</b>		
Unrestricted	Temporarily Restricted	2014 Total
\$ 2,275,733	\$ -	\$ 2,275,733
194,444	-	194,444
11,783	-	11,783
<u>2,481,960</u>	<u>-</u>	<u>2,481,960</u>
23,136	(23,136)	-
<u>2,505,096</u>	<u>(23,136)</u>	<u>2,481,960</u>
2,339,733	-	2,339,733
165,635	-	165,635
<u>2,505,368</u>	<u>-</u>	<u>2,505,368</u>
(272)	(23,136)	(23,408)
<u>78,902</u>	<u>86,674</u>	<u>165,576</u>
<u>\$ 78,630</u>	<u>\$ 63,538</u>	<u>\$ 142,168</u>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program</u>	<u>Management and General</u>	<u>2015 Totals</u>
<b>OPERATING EXPENSES</b>			
Salaries	\$ 297,224	\$ 10,407	\$ 307,631
Employee benefits	141,926	5,515	147,441
Travel	4,318	4,789	9,107
Facility expense	326,734	-	326,734
Communications	47,526	2,207	49,733
Office supplies	23,784	1,706	25,490
Office equipment	5,155	-	5,155
Professional fees	-	106,360	106,360
Liability insurance	(2,562)	7,754	5,192
Outreach	104,159	5,198	109,357
Subcontracted expenses	<u>1,341,609</u>	<u>-</u>	<u>1,341,609</u>
Total expenses	<u>\$ 2,289,873</u>	<u>\$ 143,936</u>	<u>\$ 2,433,809</u>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program</u>	<u>Management and General</u>	<u>2014 Totals</u>
<b>OPERATING EXPENSES</b>			
Salaries	\$ 249,994	\$ 12,182	\$ 262,176
Employee benefits	120,518	11,359	131,877
Temp wages	32,107	5,151	37,258
Travel	6,963	5,470	12,433
Facility expense	331,986	-	331,986
Communications	46,593	3,362	49,955
Office supplies	87,203	2,784	89,987
Office equipment	112,334	3,349	115,683
Professional fees	-	106,360	106,360
Liability insurance	-	7,524	7,524
Outreach	74,135	8,094	82,229
Subcontracted expenses	<u>1,277,900</u>	<u>-</u>	<u>1,277,900</u>
Total expenses	<u>\$ 2,339,733</u>	<u>\$ 165,635</u>	<u>\$ 2,505,368</u>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 17,065	\$ (23,408)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Accounts receivable	123,873	(149,500)
Prepaid expenses	8,171	(6,305)
Accounts payable	(143,153)	176,643
Deferred revenue	(6,139)	2,878
Accrued expenses	15,562	-
Net cash provided by (used in) operating activities	15,379	308
<b>CASH, BEGINNING OF YEAR</b>	<b>80,645</b>	<b>80,337</b>
<b>CASH, END OF YEAR</b>	<b>\$ 96,024</b>	<b>\$ 80,645</b>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

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

**NATURE OF OPERATIONS**

Region 10 Workforce Investment Board, Inc. (the “Organization”) is an Indiana non-profit corporation comprised of representatives from the private sector, labor, education, economic development and community based organizations. The Organization provides policy guidance and oversight to the WorkOne system in Indiana’s Region 10 Economic Growth Region. The Region 10 Economic Growth Region includes Clark, Crawford, Floyd, Harrison, Scott and Washington Counties.

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

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

**BASIS OF ACCOUNTING**

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

**FINANCIAL STATEMENT PRESENTATION**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

*Unrestricted net assets* represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.

*Temporarily restricted net assets* represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Temporarily restricted net assets* also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

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

**FINANCIAL STATEMENT PRESENTATION (continued)**

*Permanently restricted net assets* represent contributions and other inflows of assets whose use by Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

As of June 30, 2015 and 2014, the Organization had \$81,587 and \$63,538 in temporarily restricted and no permanently restricted net assets, all respectively. See Note 5 for further information regarding temporarily restricted net assets.

**EXPENSE ALLOCATION**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. 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. No allowance for uncollectible grants has been recorded. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts required prior to expenditures being incurred are reflected as unearned revenue on the statement of financial position.

**INCOME TAX STATUS**

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

**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. During the years ended June 30, 2015 and 2014, the Organization received temporarily restricted contributions in the amounts of \$23,500 and \$0, respectively.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

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

**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 for the years ended June 30, 2015 and 2014.

**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**

As of June 30, 2015 and 2014, all property and equipment acquired by the Organization was purchased with funds provided by the State of Indiana and therefore are owned by the State of Indiana. Expenditures for maintenance and repairs are expenses when incurred. See Note 4 for additional information on state owned property and equipment.

**ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS**

Long-lived assets and certain identifiable intangibles held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization has examined this issue and has determined that there were no impairments of long-lived assets used by the Organization at June 30, 2015 and 2014.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

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

**TAX BENEFITS**

Effective July 1, 2009, the Organization adopted the accounting policy to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded.

The Organization has examined this issue and has determined there are no material contingent tax liabilities at June 30, 2015 and 2014. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

**SUBSEQUENT EVENTS**

Subsequent events are evaluated through December 11, 2015, which is the date the financial statements were available to be issued.

**NOTE 2 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Indiana Department of Workforce Development	<u>\$ 185,404</u>	<u>\$ 309,277</u>

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balance at a bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015 and 2014, bank balances were within FDIC limits and fully insured.

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

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 3 – CONCENTRATION OF CREDIT RISK (continued)**

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 – STATE OWNED PROPERTY AND EQUIPMENT**

As of June 30, 2015 and 2014, the Organization, in its management capacity for the Region 10 Workforce Investment Board, Inc. controlled State owned equipment and furniture costing \$315,224 and \$315,224, respectively. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

The restrictions on assets as of June 30, 2015 and 2014 primarily relate to non-federal grants specific assistance to the Organization and its programs, as specified by the donors. Those restrictions are considered to expire when payments are made.

As of June 30, 2015 and 2014, temporarily restricted net assets summarized by restriction are as follows:

	<u>2015</u>	<u>2014</u>
Metro United Way Career Launch Program	\$ 63,244	\$ 63,538
Hands Up Scholarship Program	<u>18,343</u>	<u>-0-</u>
Total	<u>\$ 81,587</u>	<u>\$ 63,538</u>

**NOTE 6 – EMPLOYEE RETIREMENT PLAN**

The Organization has a simple IRA plan open to full time employees with at least one-full year of employment. The Organization matches 100% of the first \$1,500 of the employees' contributions. The Organization's contributions for the years ended June 30, 2015 and 2014 were \$5,062 and \$8,250, respectively.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 7 – RELATED-PARTY TRANSACTIONS**

The Organization rents office space from Community Action of Southern Indiana. An employee of Community Action of Southern Indiana is a member of the Region 10 Workforce Investment Board.

**NOTE 8 – OPERATING LEASES**

The Organization leases space at multiple locations for operation of its programs. Rent expense for the years ended June 30, 2015 and 2014 was \$261,705 and \$261,345, respectively. Future minimum lease payments on non-cancelable leases with terms beyond June 30, 2015, are as follows:

2016	\$ 261,705
2017	214,110
2018	214,110
2019	214,110
2020	214,110
Thereafter	<u>107,055</u>
Total	<u>\$ 1,225,200</u>

## **SUPPLEMENTARY INFORMATION**

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30,2015**

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Expenditure
<b>U.S. Department of Labor</b>			
<b>Indiana Department of Workforce Development ("DWD")</b>			
<b>Workforce Investment Act Cluster (WIA)</b>			
WIA Adult Program (PY13 Program)	17.258	WIB 3-10	\$ 155,479
WIA Adult Program (PY13 Admin)	17.258	WIB 3-10	56,383
WIA Adult Program (PY14 Program)	17.258	WIB 4-10	434,687
WIA Adult Program (PY14 Admin)	17.258	WIB 4-10	9,704
WIA Adult Program (PY14 Admin)	17.258	BC-3-10	10,000
			<u>666,253</u>
WIA Youth Activities (PY13 Program)	17.259	WIB 3-10	177,665
WIA Youth Activities (PY13 Admin)	17.259	WIB 3-10	55,995
WIA Youth Activities (PY14 Program)	17.259	WIB 4-10	266,531
WIA Youth Activities (PY14 Admin)	17.259	WIB 4-10	7,889
			<u>508,080</u>
WIA Dislocated Worker Formula Grants (PY13 Program)	17.278	WIB 3-10	192,666
WIA Dislocated Worker Formula Grants (PY13 Admin)	17.278	WIB 3-10	53,335
WIA Dislocated Worker Formula Grants (PY14 Program)	17.278	WIB 4-10	417,488
WIA Dislocated Worker Formula Grants (PY14 Admin)	17.278	WIB 4-10	8,750
WIA Dislocated Worker Formula Grants (PY13 Business Consultant)	17.278	BC 3-10	52,404
			<u>724,643</u>
<b>Total WIA Cluster passed through DWD</b>			<u><b>1,898,976</b></u>
<b>WIA National Emergency Grants (NEGDWT)</b>	17.277	NEGDWT 3-10	<u><b>7,275</b></u>
<b>Employment Service Cluster</b>			
Employment Service/Wagner-Peyser Funded Activities	17.207	IS-2-10 WP	29,576
Employment Service/Wagner-Peyser Funded Activities	17.207	IS 4-10 WP	80,404
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-3-10	54,412
			<u>164,392</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IS-2-10 DVOP	1,741
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IS 4-10 DVOP	6,455
			<u>8,196</u>
Local Veterans' Employment Representative (LVER) Program	17.804	IS 2-10 LVER	904
Local Veterans' Employment Representative (LVER) Program	17.804	IS 4-10 LVER	11,391
			<u>12,295</u>
<b>Total for Employment Service Cluster passed through DWD</b>			<u><b>184,883</b></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30,2015**

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Expenditure
<b>Unemployment Insurance Recovery</b>			
Unemployment Insurance Recovery	17.225	IS-2-10 EUC REA	3,118
Unemployment Insurance Recovery	17.225	IS 4-10 EUC REA	21,081
Unemployment Insurance Recovery	17.225	IS-2-10 UI	21,673
Unemployment Insurance Recovery	17.225	IS 4-10 UI	<u>66,526</u>
<b>Total for Unemployment Insurance Recovery</b>			<b>112,398</b>
<b>Trade Adjustment Assistance</b>			
Trade Adjustment Assistance	17.245	IS-2-10	505
Trade Adjustment Assistance	17.245	IS-4-10	<u>2,042</u>
<b>Total for Trade Adjustment Assistance</b>			<b><u>2,547</u></b>
<b>Total passed through DWD</b>			<b><u>2,206,079</u></b>
<b>Total for U.S. Department of Labor</b>			<b><u>2,206,079</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 2,206,079</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Region 10 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (“OMB”) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Region 10 Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Region 10 Workforce Investment Board, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – SUB-RECIPIENTS**

Region 10 Workforce Investment Board, Inc. provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
WIA Adult Program (PY12 Program)	17.258	\$ 7,740
WIA Adult Program (PY13 Program)	17.258	97,763
WIA Adult Program (PY14 Program)	17.258	327,538
WIA Youth Activities (PY12 Program)	17.259	5,907
WIA Youth Activities (PY13 Program)	17.259	106,301
WIA Youth Activities (PY14 Program)	17.259	167,607
WIA Dislocated Worker Formula Grants (PY12 Program)	17.278	8,756
WIA Dislocated Worker Formula Grants (PY13 Program)	17.278	158,165
WIA Dislocated Worker Formula Grants (PY14 Program)	17.278	<u>255,876</u>
Sub-total for WIA Cluster		1,135,653
 National Emergency Grants	 17.277	 <u>6,534</u>
		<u>\$ 1,142,187</u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

There were no findings for the prior year ended June 30, 2014.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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

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 Region 10 Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting (internal control) to determine 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 Region 10 Workforce Investment Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Region 10 Workforce Investment Board, Inc.'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
December 11, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

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

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

We have audited Region 10 Workforce Investment Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Region 10 Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2015. Region 10 Workforce Investment Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Region 10 Workforce Investment Board, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Region 10 Workforce Investment Board, Inc.'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Region 10 Workforce Investment Board, Inc.'s compliance.

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

In our opinion, Region 10 Workforce Investment Board, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of Region 10 Workforce Investment Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Region 10 Workforce Investment Board, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
December 11, 2015

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes  No
- Significant deficiencies identified? Yes  No

Noncompliance material to financial statements noted? Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? Yes  No
- Significant deficiencies identified? Yes  No

Type of auditor’s report issued: Unmodified

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

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
17.278*	U.S. Dept. of Labor - WIA Dislocated Worker Formula Grants

\* 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

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Section II – Financial Statement Findings**

There were no financial statement findings for the current year ended June 30, 2015.

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

There were no federal award findings for the current year ended June 30, 2015.