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July 31, 2019

Board of Directors  
Western Indiana Workforce Investment Board, Inc.  
630 Wabash Avenue, Suite 205  
Terre Haute, IN 47807

We have reviewed the audit report of Western Indiana Workforce Investment Board, Inc. which was opined upon by Comer, Nowling & Associates, PC, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Western Indiana Workforce Investment Board, Inc. as of June 30, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling & Associates, PC 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.

  
Paul D. Joyce, CPA  
State Examiner

**Western Indiana  
Workforce Investment  
Board, Inc.**

**Financial Statements  
For the Years Ended  
June 30, 2018 and 2017  
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Western Indiana Workforce Investment Board, Inc.

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

We have audited the accompanying financial statements of Western Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 in *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 Western Indiana Workforce Investment Board, Inc. as of June 30, 2018 and 2017, 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 Western Indiana 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. 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 on January 30, 2019 our consideration of Western Indiana 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  
January 30, 2019

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

<b>ASSETS</b>		
	<b>2018</b>	<b>2017</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 255,266	\$ 326,265
Grants receivable	339,944	362,579
Prepaid expenses	32,967	41,036
Total current assets	628,177	729,880
Total assets	\$ 628,177	\$ 729,880
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 265,910	\$ 214,113
Accrued payroll and taxes	54,804	56,489
Due to service providers	4,387	156,008
Other accrued expenses	49,909	45,574
Total current liabilities	375,010	472,184
<b>NET ASSETS:</b>		
Unrestricted	253,167	255,408
Temporarily restricted	-	2,288
Total net assets	253,167	257,696
Total liabilities and net assets	\$ 628,177	\$ 729,880

See accompanying notes to financial statements.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>			
Federal grant revenue	\$ 2,449,209	\$ -	\$ 2,449,209
Other grant revenue	574,532	-	574,532
Miscellaneous income	3,317	-	3,317
Total revenue and support	3,027,058	-	3,027,058
Net assets released from restrictions	2,288	(2,288)	-
Total revenue, support and net assets released from restrictions	3,029,346	(2,288)	3,027,058
<b>EXPENSES</b>			
Program activities	2,868,961	-	2,868,961
Management and general	162,626	-	162,626
Total expenses	3,031,587	-	3,031,587
<b>CHANGE IN NET ASSETS</b>	(2,241)	(2,288)	(4,529)
<b>NET ASSETS, BEGINNING OF YEAR</b>	255,408	2,288	257,696
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 253,167</u>	<u>\$ -</u>	<u>\$ 253,167</u>

See accompanying notes to financial statements.

**2017**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 2,143,790	\$ -	\$ 2,143,790
526,326	-	526,326
13,682	-	13,682
<hr/>	<hr/>	<hr/>
2,683,798	-	2,683,798
1,787	(1,787)	-
<hr/>	<hr/>	<hr/>
2,685,585	(1,787)	2,683,798
<hr/>	<hr/>	<hr/>
2,515,509	-	2,515,509
157,409	-	157,409
<hr/>	<hr/>	<hr/>
2,672,918	-	2,672,918
<hr/>	<hr/>	<hr/>
12,667	(1,787)	10,880
242,741	4,075	246,816
<hr/>	<hr/>	<hr/>
\$ 255,408	\$ 2,288	\$ 257,696
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Program</u>	<u>Management and General</u>	<u>2018 Totals</u>
<b>OPERATING EXPENSES</b>			
Salaries	\$ 246,602	\$ 30,005	\$ 276,607
Employee benefits	96,086	7,304	103,390
Travel	6,487	4,153	10,640
Facilities	218,686	7,099	225,785
Communications	67,127	-	67,127
Outreach	38,241	1,612	39,853
Office supplies	6,806	-	6,806
Postage	804	-	804
Office equipment	1,742	1,741	3,483
Professional fees	-	108,802	108,802
Liability insurance	3,669	-	3,669
Meeting expense	3,631	-	3,631
Membership dues	612	1,910	2,522
Sub-contractor expenses	<u>2,178,468</u>	<u>-</u>	<u>2,178,468</u>
Total expenses	<u>\$ 2,868,961</u>	<u>\$ 162,626</u>	<u>\$ 3,031,587</u>

See accompanying notes to financial statements.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Program</u>	<u>Management and General</u>	<u>2017 Totals</u>
<b>OPERATING EXPENSES</b>			
Salaries	\$ 272,004	\$ 19,770	\$ 291,774
Employee benefits	91,468	3,905	95,373
Travel	13,240	2,814	16,054
Facilities	304,249	8,227	312,476
Communications	48,256	-	48,256
Outreach	28,974	2,605	31,579
Office supplies	6,753	119	6,872
Postage	310	-	310
Professional fees	-	119,969	119,969
Liability insurance	6,045	-	6,045
Meeting expense	4,724	-	4,724
Membership dues	1,400	-	1,400
Sub-contractor expenses	<u>1,738,086</u>	<u>-</u>	<u>1,738,086</u>
Total expenses	<u>\$ 2,515,509</u>	<u>\$ 157,409</u>	<u>\$ 2,672,918</u>

See accompanying notes to financial statements.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (4,529)	\$ 10,880
Adjustments to reconcile change in net assets to net		
Increase (decrease) in cash from changes in:		
Grants receivable	22,635	(4,609)
Prepaid expenses	8,069	(3,066)
Accounts payable	51,797	(92,991)
Accrued payroll and taxes	(1,685)	5,071
Due to service providers	(151,621)	156,008
Other accrued expenses	4,335	6,219
	(70,999)	77,512
<b>CASH, BEGINNING OF YEAR</b>	<b>326,265</b>	<b>248,753</b>
<b>CASH, END OF YEAR</b>	<b>\$ 255,266</b>	<b>\$ 326,265</b>

See accompanying notes to financial statements.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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

**NATURE OF OPERATIONS**

Western Indiana Workforce Investment Board, Inc. (the “Organization”) was organized as a nonprofit corporation in June 1999. The Organization administers and subcontracts grants that prepare youth, unskilled adults, and dislocated workers for entry into the workforce and to provide economically disadvantaged individuals and others facing barriers to employment with job training in Clay, Vigo, Vermillion, Putnam, Sullivan, and Parke counties in Indiana. The Organization is primarily supported through federal and state government grants.

**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 Western Indiana Workforce Investment Board, Inc. 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 Western Indiana Workforce Investment Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Western Indiana Workforce Investment Board, Inc. pursuant to those stipulations.

*Permanently restricted net assets* represent contributions and other inflows of assets whose use by Western Indiana Workforce Investment Board, Inc. 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, 2018 and 2017, the Organization had temporarily restricted net assets of \$0 and \$2,288, respectively, and no permanently restricted net assets. See Note 5 for further information regarding temporarily restricted net assets.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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

**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 AND OTHER GRANT REVENUE**

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. The Organization received other grant revenue of \$574,532 and \$526,326 during the years ended June 30, 2018 and 2017, respectively.

**CONTRIBUTED SERVICES**

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

No amounts have been reflected in the financial statements for donated services for the years ended June 30, 2018 and 2017.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**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**

As of June 30, 2018 and 2017, all property and equipment acquired by the Organization was purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Expenditures for maintenance and repairs are expensed when incurred.

**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, 2018 and 2017. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

**SUBSEQUENT EVENTS**

Subsequent events are evaluated through January 30, 2019, which is the date the financial statements were available to be issued.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 – GRANTS RECEIVABLE**

Grants receivable as of June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Indiana Department of Workforce Development	<u>\$ 339,944</u>	<u>\$ 362,579</u>

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at a single bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year, the balance in this account may exceed the FDIC threshold. As of June 30, 2018 and 2017, the Organization's uninsured balance was \$0 and \$5,097, respectively.

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

Financial awards from federal, state and local governmental entities in the form of grants are subject to financial and compliance audits by funding agencies. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT**

During the year ended June 30, 2016, the Indiana Department of Workforce Development changed its policies regarding reporting and tracking of State-owned equipment and furniture, increasing the value of assets required to be recorded and reported from \$500 to \$5,000. As a result, the total value of assets meeting the new State reporting threshold for the years ended June 30, 2018 and 2017, were \$114,178 and \$114,178, 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.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

The restrictions on assets as of June 30, 2018 and 2017 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, 2018 and 2017, temporarily restricted net assets summarized by restriction are as follows:

	<u>2018</u>	<u>2017</u>
Implementation of Regional Partnership Grant Application	\$ -	\$ 2,288
	\$ -	\$ 2,288
	\$ -	\$ 2,288

**NOTE 6 – EMPLOYEE RETIREMENT PLAN**

Pension contributions for the staff of the Organization are made to individual money purchase plans. Upon completion of one (first) year of employment, a pension contribution is made retroactively to the employee start date, with contributions proceeding on a continuous basis thereafter. If employment ends prior to the completion of one (first) full year, all first-year contributions are forfeited. Contributions to the plan for the years ended June 30, 2018 and 2017 were \$22,076 and \$21,976, respectively.

**NOTE 7 – RELATED PARTIES**

The Organization has obtained services from related parties for service provider expenses, training, and annual membership fees. Of these related parties, all represent companies affiliated with board members. During the years ended June 30, 2018 and 2017, these companies paid \$7,850 and \$7,300 for annual sponsorships and dues, respectively.

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 8 – OPERATING LEASES**

The Organization leases space for operation of its programs. Rent expense for the years ended June 30, 2018 and 2017, was \$198,486 and \$296,630, respectively.

Future minimum lease payments on leases with terms beyond June 30, 2018, are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 134,536
2020	108,809
2021	97,469
2022	97,469
2023	97,469
Thereafter	<u>81,225</u>
Total	<u><u>\$ 616,977</u></u>

**SUPPLEMENTARY INFORMATION**

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Subrecipient Pass Through
<b>U.S. Department of Labor</b>					
<b>Indiana Department of Workforce Development ('DWD')</b>					
<b>Workforce Investment Act ("WIA") Cluster</b>					
WIOA Adult Program (PY16 Program)	17.258	WIB-6-07	621,908	\$ 388,573	\$ 290,522
WIOA Adult Program (PY16 Admin)	17.258	WIB-6-07	69,100	65,100	-
WIOA Adult Program (PY17 Program)	17.258	WIOA-7-07	569,000	198,226	149,842
WIOA Adult Program (PY17 Admin)	17.258	WIOA-7-07	63,222	2,548	-
WIOA Adult Program (PY17 Business Consultant)	17.258	BC-7-07	36,000	36,000	-
				<u>690,447</u>	<u>440,364</u>
WIOA Youth Activities (PY16 Program)	17.259	WIB-6-07	685,006	626,966	537,297
WIOA Youth Activities (PY16 Admin)	17.259	WIB-6-07	76,111	76,111	-
WIOA Youth Activities (PY17 Program)	17.259	WIOA-7-07	626,827	51,983	-
				<u>755,060</u>	<u>537,297</u>
WIOA Dislocated Worker (PY16 Program)	17.278	WIB-6-07	347,074	171,798	124,449
WIOA Dislocated Worker (PY16 Admin)	17.278	WIB-6-07	38,563	12,504	-
WIOA Dislocated Worker (PY17 Program)	17.278	WIOA-7-07	350,968	216,787	161,049
WIOA Dislocated Worker (PY17 Business Consultant)	17.278	BC-7-07	44,000	44,000	-
				<u>445,089</u>	<u>285,498</u>
<b>Subtotal for WIA Cluster passed through DWD</b>				<b><u>1,890,596</u></b>	<b><u>1,263,159</u></b>
<b>Employment Service Cluster</b>					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA-7-07	56,012	51,666	14,693
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-7-07	40,000	40,000	-
				<u>91,666</u>	<u>14,693</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA-7-07	11,074	10,251	-
Local Veterans' Employment Rep (LVER) Program	17.804	IFA-7-07	11,074	10,251	-
<b>Subtotal for Employment Service Cluster passed through DWD</b>				<b><u>112,168</u></b>	<b><u>14,693</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Subrecipient Pass Through
<b>U.S. Department of Labor</b>					
<b>Indiana Department of Workforce Development ('DWD') continued</b>					
<b>Unemployment Insurance Recovery</b>					
Unemployment Insurance Recovery	17.225	IFA-7-07	11,274	\$ 11,274	\$ -
Re-Employment Services and Eligibility Assessment	17.225	RESEA-6-07	142,950	122,705	122,705
Re-Employment Services and Eligibility Assessment	17.225	RESEA-7-07	75,000	13,274	13,643
<b>Subtotal for Unemployment Insurance Recovery passed through DWD</b>				<b>147,253</b>	<b>136,348</b>
<b>Trade Adjustment Assistance</b>					
Trade Adjustment Assistance	17.245	IFA-7-07	10,631	9,841	-
Trade Adjustment Assistance	17.245	TAA CASE MGT 7-07	27,300	17,201	16,810
<b>Subtotal for Trade Adjustment Assistance passed through DWD</b>				<b>27,042</b>	<b>16,810</b>
<b>Total for U.S. Department of Labor</b>				<b>2,177,059</b>	<b>1,431,010</b>
<b>Temporary Assistance for Needy Families</b>					
Jobs for American Graduates	93.558	JAG TANF-5-07	319,372	181,672	154,659
Jobs for American Graduates	93.558	JAG TANF-7-07	88,000	83,613	79,200
WorkINdiana	93.558	WIN TANF 6-07	35,000	6,865	6,865
<b>Subtotal for Temporary Assistance for Needy Families</b>				<b>272,150</b>	<b>240,724</b>
<b>Total for U.S. Department of Health and Human Services</b>				<b>272,150</b>	<b>240,724</b>
<b>Total passed through DWD</b>				<b>2,449,209</b>	<b>1,671,734</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 2,449,209</b>	<b>\$ 1,671,734</b>

See accompanying notes to Schedule of Expenditures of Federal Awards

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Western Indiana Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Western Indiana Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Western Indiana Workforce Investment Board, Inc.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – INDIRECT COST**

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

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>STATE/LOCAL GRANTOR AGENCY Program Title</b>	<b>Grant or Identifying Number</b>	<b>State and Local Awards (in dollars \$)</b>	<b>State and Local Expended</b>
Indiana Department of Workforce Development:			
Jobs for Amerian Graduates	JAG 6-07	406,505	\$ 142,457
Jobs for Amerian Graduates	JAG 7-07	443,471	271,819
Hoosier Initiative for Re-Entry Staff	IFA 7-07	22,148	19,479
WorkINdiana	WIN-6-07	195,469	130,859
WorkINdiana	WIN-7-07	127,500	9,918
<b>Total Expenditures of State and Local Awards</b>			<b>\$ 574,532</b>

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2017.

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

There were no federal award findings for the year ended June 30, 2017.



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

To the Board of Directors  
Western Indiana 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 Western Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 January 30, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Western Indiana 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 Western Indiana 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 Western Indiana 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  
January 30, 2019



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Directors  
Western Indiana Workforce Investment Board, Inc.

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

We have audited Western Indiana Workforce Investment Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Western Indiana Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2018. Western Indiana 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 Western Indiana 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 the audit requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 Western Indiana 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 Western Indiana Workforce Investment Board, Inc.'s compliance.

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

In our opinion, Western Indiana 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, 2018.

## Report on Internal Control over Compliance

Management of Western Indiana 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 Western Indiana 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 the Uniform Guidance, 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 Western Indiana 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
January 30, 2019

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 2 CFR section 200.516(a) 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/WIOA Adult Program
17.259*	U.S. Dept. of Labor – WIA/WIOA Youth Activities
17.278*	U.S. Dept. of Labor – WIA/WIOA Dislocated Worker Formula Grants
93.558	U.S. Dept. of Health and Human Services - Temporary Assistance for Needy Families (TANF)

\* Represents WIOA cluster

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

Auditee qualified as low-risk auditee? Yes  No

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2018.

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

There were no federal award findings for the year ended June 30, 2018.