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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

September 19, 2019

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, 2017 to June 30, 2018. Per the Independent Auditor's Report opinion, the financial statements included in the report present fairly the financial condition of Region 10 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, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

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



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

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Certified Public Accountants

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
FINANCIAL STATEMENTS

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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, 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 Region 10 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 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 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 January 9, 2019 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

January 9, 2019

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS		2018	2017
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 145,197	\$ 209,142
Accounts receivable		147,341	57,358
Prepaid expenses		34,243	39,943
Deposit		<u>11,950</u>	<u>11,950</u>
Total current assets		<u>338,731</u>	<u>318,393</u>
Total assets		<u><u>\$ 338,731</u></u>	<u><u>\$ 318,393</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 153,040	\$ 132,824
Accrued expenses		<u>28,187</u>	<u>25,371</u>
Total current liabilities		<u>181,227</u>	<u>158,195</u>
NET ASSETS:			
Unrestricted		79,124	80,244
Temporarily restricted		<u>78,380</u>	<u>79,954</u>
Total net assets		<u>157,504</u>	<u>160,198</u>
Total liabilities and net assets		<u><u>\$ 338,731</u></u>	<u><u>\$ 318,393</u></u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal grant revenue	\$ 2,263,279	\$ -	\$ 2,263,279
Other grant revenue	210,429	7,000	217,429
Miscellaneous income	10,678	-	10,678
Total revenue and support	<u>2,484,386</u>	<u>7,000</u>	<u>2,491,386</u>
Net assets released from restrictions	<u>8,574</u>	<u>(8,574)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>2,492,960</u>	<u>(1,574)</u>	<u>2,491,386</u>
EXPENSES			
Program activities	2,371,016	-	2,371,016
Management and general	123,064	-	123,064
Total expenses	<u>2,494,080</u>	<u>-</u>	<u>2,494,080</u>
CHANGE IN NET ASSETS	<u>(1,120)</u>	<u>(1,574)</u>	<u>(2,694)</u>
NET ASSETS, BEGINNING OF YEAR	<u>80,244</u>	<u>79,954</u>	<u>160,198</u>
NET ASSETS, END OF YEAR	<u>\$ 79,124</u>	<u>\$ 78,380</u>	<u>\$ 157,504</u>

See accompanying notes to financial statements.

2017

Unrestricted	Temporarily Restricted	Total
\$ 1,937,908	\$ -	\$ 1,937,908
243,735	156	243,891
9,199	-	9,199
<u>2,190,842</u>	<u>156</u>	<u>2,190,998</u>
4,128	(4,128)	-
<u>2,194,970</u>	<u>(3,972)</u>	<u>2,190,998</u>
2,067,979	-	2,067,979
127,033	-	127,033
<u>2,195,012</u>	<u>-</u>	<u>2,195,012</u>
(42)	(3,972)	(4,014)
<u>80,286</u>	<u>83,926</u>	<u>164,212</u>
<u>\$ 80,244</u>	<u>\$ 79,954</u>	<u>\$ 160,198</u>

REGION 10 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>
OPERATING EXPENSES			
Salaries	\$ 316,982	\$ 5,064	\$ 322,046
Employee benefits	101,927	917	102,844
Travel	9,523	1,133	10,656
Facility expense	270,761	-	270,761
Communications	6,753	104	6,857
Office supplies	13,914	1,035	14,949
Office equipment	2,127	-	2,127
Professional fees	-	112,050	112,050
Liability insurance	10,590	-	10,590
Outreach	75,873	2,761	78,634
Subcontracted expenses	<u>1,562,566</u>	<u>-</u>	<u>1,562,566</u>
Total expenses	<u>\$ 2,371,016</u>	<u>\$ 123,064</u>	<u>\$ 2,494,080</u>

See accompanying notes to financial statements.

REGION 10 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>
OPERATING EXPENSES			
Salaries	\$ 318,272	\$ 4,881	\$ 323,153
Employee benefits	110,148	1,731	111,879
Travel	9,404	1,836	11,240
Facility expense	265,734	-	265,734
Communications	15,259	1,177	16,436
Office supplies	23,668	1,152	24,820
Office equipment	6,046	-	6,046
Professional fees	-	109,350	109,350
Liability insurance	-	6,660	6,660
Outreach	33,462	246	33,708
Subcontracted expenses	1,285,986	-	1,285,986
	<u>\$ 2,067,979</u>	<u>\$ 127,033</u>	<u>\$ 2,195,012</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,694)	\$ (4,014)
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	(89,983)	157,912
Prepaid expenses	5,700	(4,824)
Accounts payable	20,216	(4,580)
Deferred revenue	-	-
Accrued expenses	2,816	(8,165)
	(63,945)	136,329
Net cash provided by (used in) operating activities	(63,945)	136,329
CASH, BEGINNING OF YEAR	209,142	72,813
CASH, END OF YEAR	\$ 145,197	\$ 209,142

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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, 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 FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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, 2018 and 2017, the Organization had \$78,380 and \$79,954 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, 2018 and 2017, the Organization received temporarily restricted contributions in the amounts of \$7,000 and \$156, respectively.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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, 2018 and 2017.

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 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.

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.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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

SUBSEQUENT EVENTS

Subsequent events are evaluated through January 9, 2019, which is the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTS RECEIVABLE

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

	<u>2018</u>	<u>2017</u>
Indiana Department of Workforce Development	\$ 138,922	\$ 53,925
Other receivables	8,419	3,433
Total accounts receivable	<u>\$ 147,341</u>	<u>\$ 57,358</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, 2018 and 2017, bank balances were in excess of FDIC limits by \$62,403 and \$0, 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.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2018 and 2017, the Organization controlled State owned equipment and furniture costing \$7,412 for both years. 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, 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>
Metro United Way Career Launch Program	\$ 63,244	\$ 63,244
Hands Up Scholarship Program	10,181	16,710
AT&T Aspire Grant	4,955	-
	\$ 78,380	\$ 79,954

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, 2018 and 2017 were \$6,600 and \$5,100, respectively.

NOTE 7 – RELATED-PARTY TRANSACTIONS

There were no related party transactions for the years ended June 30, 2018 and 2017.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 – OPERATING LEASES

The Organization leases space at multiple locations for operation of its programs. Rent expense for the years ended June 30, 2018 and 2017 was \$214,110 and \$214,110, respectively. Future minimum lease payments on non-cancelable leases with terms beyond June 30, 2018, are as follows:

2019	\$ 214,110
2020	214,110
2021	214,110
2022	107,055
2023	<u>-</u>
Total	<u><u>\$ 749,385</u></u>

SUPPLEMENTARY INFORMATION

REGION 10 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	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (P16 Program)	17.258	WIB 6-10	447,010	\$ 221,800	\$ 148,605
WIOA Adult Program (P16 Admin)	17.258	WIB 6-10	49,668	49,668	46,000
Employer Focused Business Partnership	17.258	EFBG610	10,000	10,000	-
WIOA Adult Program (P17 Program)	17.258	WIOA 7-10	386,774	270,944	191,744
WIOA Adult Program (P17 Program)	17.258	WIOA 7-10	42,974	42,974	35,000
WIOA Adult Program (Business Consultant)	17.258	BC 7-10	36,000	36,000	-
				631,386	421,349
WIOA Youth Activities (PY16 Program)	17.259	WIB 6-10	449,432	125,914	80,070
WIOA Youth Activities (PY16 Admin)	17.259	WIB 6-10	49,936	49,113	-
Employer Focused Business Partnership	17.259	EFBG610	90,000	26,956	-
WIOA Youth Activities (PY17 Program)	17.259	WIOA 7-10	388,889	292,019	183,849
				494,002	263,919
WIOA Dislocated Worker Formula Grants (PY16 Program)	17.278	WIB 6-10	593,363	337,024	201,273
WIOA Dislocated Worker Formula Grants (PY16 Admin)	17.278	WIB 6-10	65,929	65,929	-
WIOA Dislocated Worker Formula Grants (PY17 Program)	17.278	WIOA 7-10	276,624	206,909	151,398
WIOA Dislocated Worker Formula Grants (PY17 Admin)	17.278	WIOA 7-10	30,736	12,946	-
WIOA Dislocated Worker Formula Grants (Business Consultant)	17.278	BC 7-10	44,000	44,000	-
				666,808	352,671
Subtotal for WIOA Cluster passed through DWD				1,792,196	1,037,939
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 7-10	101,204	78,486	26,240
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 6-10	40,000	40,000	-
				118,486	26,240
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 7-10	17,945	14,217	4,567
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 7-10	17,945	14,217	4,568
Subtotal for Employment Service Cluster passed through DWD				146,920	35,375
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 6-10	125,500	115,733	85,093
Unemployment Insurance Recovery	17.225	RESEA 7-10	38,000	5,579	-
Subtotal for Unemployment Insurance Recovery				121,312	85,093
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	TAA 7-10	101,850	60,428	45,533
Trade Adjustment Assistance	17.245	IFA 7-10	22,064	16,749	5,762
Subtotal for Trade Adjustment Assistance				77,177	51,295
Total passed through DWD				2,137,605	1,209,702
Total for U.S. Department of Labor				2,137,605	1,209,702
U.S. Department of Health and Human Services					
Indiana Department of Workforce Development ("DWD")					
Jobs for American Graduates - TANF	93.558	JAG-TANF	176,000	125,674	125,674
Total for U.S. Department of Health and Human Services				125,674	125,674
Total Expenditures of Federal Awards				\$ 2,263,279	\$ 1,335,376

REGION 10 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 Region 10 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2018. The information in the 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 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 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 RATE

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

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	State and Local Awards (in dollars \$)	State and Local Expended
Indiana Department of Workforce Development:			
Jobs for American Graduates	JAG 6-10	187,055	\$ 75,559
Jobs for American Graduates	JAG 7-10	187,055	100,206
WorkINdiana	WIN-6-10	47,826	13,643
WorkINdiana	WIN-7-10	24,700	13,300
			<u>202,708</u>
Total Expenditures of State and Local Awards			<u><u>\$ 202,708</u></u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR YEAR 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 Awards 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
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, 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 9, 2019.

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

January 9, 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
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 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, 2018. 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 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 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, 2018.

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 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 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 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 9, 2019

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)
FOR THE YEAR ENDED JUNE 30, 2018

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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