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December 3, 2019

Board of Directors  
Northern Indiana Workforce Board, Inc.  
600 E. Carmel Drive, Suite 145  
Carmel, IN 46032

We have reviewed the audit report of Northern Indiana Workforce Board, Inc., which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Northern Indiana Workforce Board, Inc. as of June 30, 2019 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 and 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.

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

Paul D. Joyce, CPA  
State Examiner

**Northern Indiana  
Workforce Board, Inc.**



**Financial  
Statements  
For The Years Ended  
June 30, 2019 and 2018  
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

**NORTHERN INDIANA WORKFORCE BOARD, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Northern Indiana Workforce Board, Inc.

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

We have audited the accompanying financial statements of Northern Indiana Workforce Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 Northern Indiana Workforce Board, Inc. as of June 30, 2019 and 2018, 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 Northern Indiana Workforce 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 accompanying schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts 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 November 14, 2019, on our consideration of Northern Indiana Workforce 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

November 14, 2019

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 250,027	\$ 424,999
Accounts receivable	439	-
Grants receivable	487,142	365,762
Contributions receivable	200,000	-
Prepaid expenses	20,691	53,869
Total current assets	958,299	844,630
Total assets	\$ 958,299	\$ 844,630

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 458,021	\$ 452,293
Accrued expenses	145,307	309,401
Total current liabilities	603,328	761,694
 <b>NET ASSETS</b>		
Without donor restrictions	104,971	82,936
With donor restrictions	250,000	-
Total net assets	354,971	82,936
Total liabilities and net assets	\$ 958,299	\$ 844,630

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2019 Totals</b>
<b>REVENUE</b>			
Federal grant revenue	\$ 4,235,389	\$ -	\$ 4,235,389
Other grant revenue	1,797,955	250,000	2,047,955
Other income	59,936	-	59,936
	6,093,280	250,000	6,343,280
Net Assets released from restrictions	-	-	-
Total revenue	6,093,280	250,000	6,343,280
<b>EXPENSES</b>			
Program activities	5,553,867	-	5,553,867
Management and general	517,378	-	517,378
Total expenses	6,071,245	-	6,071,245
<b>CHANGE IN NET ASSETS</b>	22,035	250,000	272,035
<b>NET ASSETS, BEGINNING</b>	82,936	-	82,936
<b>NET ASSETS, ENDING</b>	\$ 104,971	\$ 250,000	\$ 354,971

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Totals</u>
<b>REVENUE</b>			
Federal grant revenue	\$ 5,273,456	\$ -	\$ 5,273,456
Other grant revenue	1,490,328	-	1,490,328
Other income	36,452	-	36,452
	<u>6,800,236</u>		<u>6,800,236</u>
Net Assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>6,800,236</u>	<u>-</u>	<u>6,800,236</u>
<b>EXPENSES</b>			
Program activities	6,353,936	-	6,353,936
Management and general	427,807	-	427,807
Total expenses	<u>6,781,743</u>	<u>-</u>	<u>6,781,743</u>
<b>CHANGE IN NET ASSETS</b>	<u>18,493</u>	<u>-</u>	<u>18,493</u>
<b>NET ASSETS, BEGINNING</b>	<u>64,443</u>	<u>-</u>	<u>64,443</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 82,936</u>	<u>\$ -</u>	<u>\$ 82,936</u>

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program</u>	<u>Management and General</u>	<u>2019 Total</u>
<b>OPERATING EXPENSES</b>			
Salaries and taxes	\$ 2,970,579	\$ 369,319	\$ 3,339,898
Employee benefits	80,077	80,201	160,278
Travel, training and meetings	51,001	5,262	56,263
Communications	41,259	6,762	48,021
Rent and occupancy	334,886	19,572	354,458
Office supplies and postage	14,669	2,092	16,761
Office equipment	3,604	472	4,076
Professional fees	114,416	30,283	144,699
Other expenses	36,005	307	36,312
Other program expenses	1,262,066	-	1,262,066
Subcontractor expense	645,305	3,108	648,413
	<u>\$ 5,553,867</u>	<u>\$ 517,378</u>	<u>\$ 6,071,245</u>
Total operating expenses	<u>\$ 5,553,867</u>	<u>\$ 517,378</u>	<u>\$ 6,071,245</u>

See accompanying notes to financial statements.

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

	<u>Program</u>	<u>Management and General</u>	<u>2018 Total</u>
<b>OPERATING EXPENSES</b>			
Salaries and taxes	\$ 3,169,406	\$ 321,426	\$ 3,490,832
Employee benefits	100,572	64,676	165,248
Travel, training and meetings	52,153	4,352	56,505
Communications	42,878	2,101	44,979
Rent and occupancy	397,475	-	397,475
Office supplies and postage	14,432	1,611	16,043
Office equipment	8,852	4,203	13,055
Professional fees	70,612	21,356	91,968
Other expenses	20,152	-	20,152
Other program expenses	1,834,654	-	1,834,654
Subcontractor expense	642,750	8,082	650,832
	<u>642,750</u>	<u>8,082</u>	<u>650,832</u>
Total operating expenses	<u>\$ 6,353,936</u>	<u>\$ 427,807</u>	<u>\$ 6,781,743</u>

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 272,035	\$ 18,493
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Grants receivable	(121,380)	91,579
Contributions receivable	(200,000)	-
Accounts receivable	(439)	-
Prepaid expenses	33,178	(55)
Accounts payable	5,728	35,669
Accrued expenses	(164,094)	56,037
Deferred revenue	-	(211,060)
	-	(211,060)
Net cash provided by (used in) operating activities	(174,972)	(9,337)
<b>CASH, BEGINNING OF YEAR</b>	424,999	434,336
<b>CASH, END OF YEAR</b>	\$ 250,027	\$ 424,999

See accompanying notes to financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**NATURE OF OPERATIONS**

Northern Indiana Workforce 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 addresses workforce issues for Elkhart, Fulton, Kosciusko, Marshall, and St. Joseph counties.

Prior to July 2011, the Organization operated as a Regional Workforce Board. Subsequent to June 2011, the Organization operates as a Workforce Investment Board (WIB) after approving the structure change by the Northern Indiana Workforce Board.

**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**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Northern Indiana Workforce Board, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

*Net assets without donor restrictions* represent the portion of net assets of Northern Indiana Workforce Board, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

*Net assets with donor restrictions* represent contributions and other inflows of assets whose use by Northern Indiana Workforce Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Northern Indiana Workforce Board, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

*Net assets with donor restrictions* also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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.

Joint Costs (including program and administrative costs) are charged / allocated to programs, grants, and contracts using a base that is most appropriate to those particular costs. Costs that are program related but can not be directly linked to a grant are charged to a program pool and allocated as a percentage of direct costs. Costs that are administrative are recorded in an administrative pool and allocated as a percentage of direct costs. Costed shared between administrative and program are charged to a split cost pool which are allocated pro-ratably based on the administrative and program cost pools.

**REVENUE RECOGNITION**

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 net assets without donor restrictions.

**GOVERNMENT GRANTS**

Support funded by reimbursable grants is recognized 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 received prior to expenditures being incurred are reflected as unearned revenue in the statement of financial position.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments. The volunteers' time does not meet the requirements for recognition as defined by the *Accounting for Contributions Received and Contributions Made* topic of the FASB Accounting Standards Codification.

**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).

Effective July 1, 2011, 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 as required by the Income Taxes Topic of the FASB Accounting Standards Codification. 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 files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the Organization is generally no longer subject to examination by taxing authorities for fiscal years before June 30, 2016.

**PROPERTY AND EQUIPMENT**

As of June 30, 2019 and 2018, 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.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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.

**RECLASSIFICATION**

Certain prior year financial information has been reclassified to conform to the current year presentation.

**SUBSEQUENT EVENTS**

Subsequent events are evaluated through November 14, 2019, which is the date the financial statements were available to be issued.

**RECENT ACCOUNTING PRONOUNCEMENTS**

*Revenue Recognition from Contract with Customers*

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Organization will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. ASU 2014-09, as deferred by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018, using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Organization has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**RECENT ACCOUNTING PRONOUNCEMENTS - (continued)**

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019, and interim periods for years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this guidance will have on the financial statements.

**NOTE 2 – GRANTS RECEIVABLE**

Grants receivable as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Indiana Department of Workforce Development	\$ 410,310	\$ 302,514
Senior Service America	76,822	63,248
Other	<u>10</u>	<u>-</u>
	<u>\$ 487,142</u>	<u>\$ 365,762</u>

**NOTE 3 – 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 of June 30, 2019 and 2018, the Organization controlled State owned equipment and furniture costing \$988,368 and \$992,905, 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.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Organization maintains a cash balance at a single bank. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year, the balance in this account may exceed \$250,000. As of June 30, 2019 and 2018, the Organization had uninsured cash deposits of \$266,103 and \$404,895, 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 5 – OPERATING LEASES**

The Organization leases multiple facilities for operation of its programs. Rent expense for the years ended June 30, 2019 and 2018 was \$260,036 and \$239,696, respectively.

Future minimum lease payments, including subleased space on leases having non-cancelable terms beyond June 30, 2019 are as follows:

2020	\$	150,996
2021		142,756
2022		143,571
2023		146,442
2024		149,371
Thereafter		75,425
	<u>\$</u>	<u>808,561</u>

**NOTE 6 – EMPLOYEE RETIREMENT PLAN**

The Organization has a safe harbor 401(k) plan open to full time employees following the end of their introductory period. The Organization matches 100% of the first 4% of the employees’ contributions. The Organization’s contributions for the years ended June 30, 2019 and 2018 were \$26,199 and \$26,782, respectively.

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 7 – NET ASSETS RESTRICTED BY DONORS**

The Organization received a promise from a donor of \$50,000 for the next five years to be used for employment services for a specific at-risk youth population. As of June 30, 2019, the Organization has received the first \$50,000 but had yet to spend the funds for the intended purpose.

**NOTE 8 – SUBSEQUENT EVENTS**

Due to funding cuts, the Organization is currently analyzing the closure, relocation, and/or consolidation of some of its locations in the Region. The Organization may be subjected to some office lease termination fees as a result of these changes.

**NOTE 9 – INFORMATION ABOUT LIQUIDITY**

The Organization’s main funding sources are cost reimbursement government grants. Liquid assets include cash and receivables. There are no board designations regarding these assets. Assets restricted by donor as discussed in Note 7 are not available for general expenditure within the next year.

The following represents financial assets available for cash needs for general expenditures within one year:

	<u>2019</u>	<u>2018</u>
Cash	\$ 250,027	\$ 424,999
Accounts receivable	439	-
Grants receivable	487,142	365,762
Contributions receivable	200,000	-
Total financial assets	<u>937,608</u>	<u>790,761</u>
Less donor restricted	<u>(250,000)</u>	<u>-</u>
Financial assets available for cash needs for general expenditures within one year	<u>\$ 687,608</u>	<u>\$ 790,761</u>

**SUPPLEMENTARY INFORMATION**

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>FEDERAL GRANTOR AGENCY</b> <b>Pass-through Agency</b> <b>Program Title</b>	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>Grant or</b> <b>Identifying</b> <b>Number</b>	<b>Federal</b> <b>Awards</b> <b>(in dollars \$)</b>	<b>Federal</b> <b>Expenditures</b>
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed through the Indiana Department of Workforce Development				
Workforce Investment Act (WIOA) Cluster:				
WIOA Adult Program	17.258	WIOA702	954,791	\$ 412,296
WIOA Adult Program	17.258	WIOA702	830,031	439,582
Skills Grant	17.258	EFBPG602	13,000	7,628
				<u>859,506</u>
WIOA Youth Program	17.259	WIOA702	1,084,501	440,435
WIOA Youth Program	17.259	WIOA802	940,488	712,578
Skills	17.259	EFBPG602	130,000	27,000
				<u>1,180,013</u>
WIOA Dislocated Worker	17.278	WIOA702	931,807	448,954
WIOA Dislocated Worker	17.278	WIOA802	830,279	338,126
Dislocated Worker Formula Grant	17.278	WIOACM8022	74,509	16,746
Dislocated Worker Formula Grant	17.278	WIOASP802	125,000	120,771
				<u>924,597</u>
Sub-total for WIA Cluster				<u>2,964,116</u>
Business Consultant - Wagner Peyser	17.207	BC802	120,000	<u>120,000</u>
Sub-total for Employment Service Cluster				<u>120,000</u>
Re-Employment Services and Eligibility (UI)	17.225	RESEA602(b)	88,997	88,997
Re-Employment Services and Eligibility (UI)	17.225	RESEA702	240,000	240,000
Re-Employment Services and Eligibility (UI)	17.225	RESEA902	188,000	87,652
				<u>416,649</u>
Training & Employment Services	17.245	TAACM702	73,500	11,748
Training & Employment Services	17.245	TAACM802	84,020	9,501
				<u>21,249</u>
Total passed through Indiana Department of Workforce Development				<u>3,522,014</u>
Passed through Senior services America, Inc.				
Senior Community Service Employment Program PY18)	17.235	328	600,607	<u>625,375</u>
<b>Total U.S. Department of Labor</b>				<u>4,147,389</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**NORTHERN INDIANA WORKFORCE BOARD, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Federal</b>	
<b>Pass-through Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Awards</b>	<b>Federal</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through the Indiana Department of Workforce Development				
Assistance for Needy Families	93.558	JAGT802	168,000	<u>88,000</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>88,000</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 4,235,389</u></u>

**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Northern Indiana Workforce Board, Inc. and 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Expenditures reported on the Schedule of Expenditures of Federal Awards 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**

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

**NORTHERN INDIANA WORKFORCE BOARD, INC.  
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<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	JAG702	1,065,816	\$ 216,525
Jobs for Amerian Graduates	JAG802	1,065,818	975,306
Jobs for Amerian Graduates JAG Master Specialist	JAGMS702	15,000	1,000
WorkINdiana	WIN702	310,000	6,308
WorkINdiana	WIN802	319,275	319,275
Pathways SB Grant (1178)	none	401,629	279,544
Adv Mfg/Smart Grant (1170)	none	-	(3)
<b>Total Expenditures of State and Local Awards</b>			<u><u>\$ 1,797,955</u></u>

**NORTHERN INDIANA WORKFORCE BOARD, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

There were no financial statements 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.



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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  
Northern Indiana Workforce 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 Northern Indiana Workforce Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 November 14, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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

November 14, 2019



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

To the Board of Directors  
Northern Indiana Workforce Board, Inc.

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

We have audited Northern Indiana Workforce 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 Northern Indiana Workforce Board, Inc.'s major federal programs for the year ended June 30, 2019. Northern Indiana Workforce 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 Northern Indiana Workforce 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, Costs 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 Northern Indiana Workforce 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 Northern Indiana Workforce Board, Inc.'s compliance.

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

In our opinion, Northern Indiana Workforce 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, 2019.

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

Management of Northern Indiana Workforce 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 Northern Indiana Workforce 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 Northern Indiana Workforce 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

November 14, 2019



**NORTHERN INDIANA WORKFORCE BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

There are no financial statements findings for the year ended June 30, 2019.

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

There are no federal award findings for the year ended June 30, 2019.