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April 1, 2020

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

We have reviewed the audit report of Region 10 Workforce Investment Board, Inc., which was opined upon by Comer, Nowling and Associates, PC, 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 Region 10 Workforce Investment 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, 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, 2019 and 2018  
(With Single Audit Section)**

COMER  NOWLING

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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, 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 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, 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 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 December 27, 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  
December 27, 2019

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 59,742	\$ 145,197
Accounts receivable	216,718	147,341
Prepaid expenses	44,131	34,243
Deposit	11,950	11,950
Total current assets	332,541	338,731
Total assets	\$ 332,541	\$ 338,731

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 151,752	\$ 153,040
Accrued expenses	21,321	28,187
Total current liabilities	173,073	181,227
<b>NET ASSETS:</b>		
Without donor restrictions	78,748	79,124
With donor restrictions	80,720	78,380
Total net assets	159,468	157,504
Total liabilities and net assets	\$ 332,541	\$ 338,731

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Federal grant revenue	\$ 2,252,255	\$ -	\$ 2,252,255
Other grant revenue	169,195	8,000	177,195
Miscellaneous income	31	-	31
Total revenue and support	<u>2,421,481</u>	<u>8,000</u>	<u>2,429,481</u>
Net assets released from restrictions	<u>5,660</u>	<u>(5,660)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>2,427,141</u>	<u>2,340</u>	<u>2,429,481</u>
<b>EXPENSES</b>			
Program activities	2,303,542	-	2,303,542
Management and general	123,975	-	123,975
Total expenses	<u>2,427,517</u>	<u>-</u>	<u>2,427,517</u>
<b>CHANGE IN NET ASSETS</b>	<u>(376)</u>	<u>2,340</u>	<u>1,964</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>79,124</u>	<u>78,380</u>	<u>157,504</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 78,748</u>	<u>\$ 80,720</u>	<u>\$ 159,468</u>

See accompanying notes to financial statements.

**2018**

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 2,263,279	\$ -	\$ 2,263,279
210,429	7,000	217,429
10,678	-	10,678
<u>2,484,386</u>	<u>7,000</u>	<u>2,491,386</u>
8,574	(8,574)	-
<u>2,492,960</u>	<u>(1,574)</u>	<u>2,491,386</u>
2,371,016	-	2,371,016
123,064	-	123,064
<u>2,494,080</u>	<u>-</u>	<u>2,494,080</u>
(1,120)	(1,574)	(2,694)
<u>80,244</u>	<u>79,954</u>	<u>160,198</u>
<u>\$ 79,124</u>	<u>\$ 78,380</u>	<u>\$ 157,504</u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program</u>	<u>Management and General</u>	<u>2019 Totals</u>
<b>OPERATING EXPENSES</b>			
Salaries	\$ 306,221	\$ 3,356	\$ 309,577
Employee benefits	124,446	1,034	125,480
Travel	7,808	130	7,938
Facility expense	266,762	-	266,762
Communications	3,799	1,190	4,989
Office supplies	12,294	984	13,278
Office equipment	1,527	-	1,527
Professional fees	-	112,050	112,050
Liability insurance	6,421	-	6,421
Outreach	48,411	5,231	53,642
Subcontracted expenses	1,525,853	-	1,525,853
	<u>\$ 2,303,542</u>	<u>\$ 123,975</u>	<u>\$ 2,427,517</u>

See accompanying notes to financial statements.

**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>
<b>OPERATING EXPENSES</b>			
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.**  
**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	\$ 1,964	\$ (2,694)
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	(69,377)	(89,983)
Prepaid expenses	(9,888)	5,700
Accounts payable	(1,288)	20,216
Deferred revenue	-	-
Accrued expenses	(6,866)	2,816
	(85,455)	(63,945)
Net cash provided by (used in) operating activities	(85,455)	(63,945)
<b>CASH, BEGINNING OF YEAR</b>	<b>145,197</b>	<b>209,142</b>
<b>CASH, END OF YEAR</b>	<b>\$ 59,742</b>	<b>\$ 145,197</b>

See accompanying notes to financial statements.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Region 10 Workforce Investment 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 Region 10 Workforce Investment 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 Region 10 Workforce Investment Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Region 10 Workforce Investment 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.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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

**GOVERNMENT GRANTS**

Support funded by grants is recognized as the Organization performs the 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. 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.

**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, 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. During the years ended June 30, 2019 and 2018, the Organization received donor restricted contributions in the amounts of \$8,000 and \$7,000, 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. 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 under the Statement of Financial Accounting Standard, *Accounting for Contributions Received and Contributions Made*.

**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.

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

**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.

The direct allocation method individually allocates indirect costs to functions and programs based on an appropriate base. This method is acceptable provided that the base accurately measures the benefits provided, it is reasonable, and is supported by current data. Cost pools are allocated based on direct costs of each program.

**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).

**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. Currently, the Organization accounts for contingencies as required by the Accounting for Contingencies Topic of the FASB Accounting Standards Codification, which provides the recording of a contingency based on the probability of certain events to transpire that range from probable to remote as opposed to applying a more likely than not recognition threshold.

The Organization has examined this issue and has determined there are no material contingent tax liabilities. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2016, 2017, and 2018 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, 2019 AND 2018**

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

**RECLASSIFICATION**

The Organization implemented ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies how net assets are classified, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Certain prior year financial information has been reclassified to conform to the current year presentation.

**SUBSEQUENT EVENTS**

Subsequent events are evaluated through December 27, 2019, which is the date the financial statements were available to be issued.

**NOTE 2 – ACCOUNTS RECEIVABLE**

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

	<u>2019</u>	<u>2018</u>
Indiana Department of Workforce Development	\$ 208,998	\$ 138,922
Other receivables	<u>7,720</u>	<u>8,419</u>
Total accounts receivable	<u><u>\$ 216,718</u></u>	<u><u>\$ 147,341</u></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, 2019 and 2018, bank balances were in excess of FDIC limits by \$0 and \$62,403, 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, 2019 AND 2018**

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

As of June 30, 2019 and 2018, 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 – NET ASSETS**

The restrictions on assets as of June 30, 2019 and 2018 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 funds are expended.

As of June 30, 2019 and 2018, donor restricted net assets summarized by restriction are as follows:

	<u>2019</u>	<u>2018</u>
Metro United Way Career Launch Program	\$ 63,244	\$ 63,244
Hands Up Scholarship Program	10,860	10,181
GKN	3,000	-
AT&T Aspire Grant	3,616	4,955
	<u>\$ 80,720</u>	<u>\$ 78,380</u>

**NOTE 6 – EMPLOYEE RETIREMENT PLAN**

The Organization has a simple IRA plan open to full time employees with at least one-full year of employment. The Organization matches 100% of the first \$1,500 of the employees' contributions. The Organization's contributions for the years ended June 30, 2019 and 2018 were \$5,350 and \$6,600, respectively.

**NOTE 7 – RELATED-PARTY TRANSACTIONS**

There were no related party transactions for the years ended June 30, 2019 and 2018.

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 8 – OPERATING LEASES**

The Organization leases space at multiple locations for operation of its programs. Rent expense for the years ended June 30, 2019 and 2018 was \$214,110 and \$214,110, respectively. Future minimum lease payments on non-cancelable leases with terms beyond June 30, 2019, are as follows:

2020	\$ 214,110
2021	107,055
2022	-
2022	-
2023	-
Total	<u>\$ 321,165</u>

**NOTE 9 – INFORMATION ABOUT LIQUIDITY**

The Organization receives its funding through cost-reimbursement awards from governmental agencies. Since all allowable grant expenditures are reimbursed the Organization has minimal net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2019 and 2018, financial assets available for cash needs of general expenditures within one year are \$276,460 and \$292,538, respectively.

**SUPPLEMENTARY INFORMATION**

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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
<b>U.S. Department of Labor</b>					
<b>Indiana Department of Workforce Development ("DWD")</b>					
<b>Workforce Investment Act Cluster (WIA)</b>					
WIOA Adult Program (P17 Program)	17.258	WIOA 7-10	386,774	\$ 115,830	\$ -
WIOA Adult Program (P18 Program)	17.258	WIOA 8-10	511,909	261,353	172,645
WIOA Adult Program (P18 Admin)	17.258	WIOA 8-10	56,878	56,878	-
WIOA SP (PY18)	17.258	WIOASP 8-10	150,000	71,313	56,743
WIOA CM	17.258	WIOACM 8-10	85,548	6,338	6,338
				<u>511,712</u>	<u>235,726</u>
WIOA Youth Activities (PY17 Program)	17.259	WIOA 7-10	388,889	96,870	66,544
WIOA Youth Activities (PY17 Admin)	17.259	WIOA 7-10	43,210	43,210	-
Employer Focused Business Partnership	17.259	EFBG610	100,000	55,404	36,420
WIOA Youth Activities (PY18 Program)	17.259	WIOA 8-10	332,706	259,069	168,434
				<u>454,553</u>	<u>271,398</u>
WIOA Dislocated Worker Formula Grants (PY17 Program)	17.278	WIOA 7-10	276,624	69,715	32,349
WIOA Dislocated Worker Formula Grants (PY17 Admin)	17.278	WIOA 7-10	30,736	17,790	-
WIOA Dislocated Worker Formula Grants (PY18 Program)	17.278	WIOA 8-10	334,978	256,207	157,145
WIOA Dislocated Worker Formula Grants (PY18 Admin)	17.278	WIOA 8-10	39,442	7,916	-
WIOA Adult Trans from DW (PY17)	17.278	WIOA 7-10	250,000	250,000	246,380
WIOA Rapid Response	17.278	RR 7-10	195,438	49,813	33,905
				<u>651,441</u>	<u>469,779</u>
<b>Subtotal for WIOA Cluster passed through DWD</b>				<b><u>1,617,706</u></b>	<b><u>976,903</u></b>
<b>Employment Service Cluster</b>					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 8-10	98,629	78,903	-
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 8-10	120,000	120,000	-
				<u>198,903</u>	<u>-</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 8-10	27,240	21,717	-
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 8-10	27,053	21,717	-
<b>Subtotal for Employment Service Cluster passed through DWD</b>				<b><u>242,337</u></b>	<b><u>-</u></b>
<b>Unemployment Insurance Recovery</b>					
Unemployment Insurance Recovery	17.225	RESEA 7-10	111,000	79,309	63,793
<b>Subtotal for Unemployment Insurance Recovery</b>				<b><u>79,309</u></b>	<b><u>63,793</u></b>
<b>Trade Adjustment Assistance</b>					
Trade Adjustment Assistance	17.245	TAA 7-10	101,850	31,248	11,217
Trade Adjustment Assistance	17.245	TAA 8-10	102,627	17,337	16,534
Trade Adjustment Assistance	17.245	IFA 8-10	20,934	16,746	-
<b>Subtotal for Trade Adjustment Assistance</b>				<b><u>65,331</u></b>	<b><u>27,751</u></b>
<b>Total passed through DWD</b>				<b><u>2,004,683</u></b>	<b><u>1,068,447</u></b>
<b>Total for U.S. Department of Labor</b>				<b><u>2,004,683</u></b>	<b><u>1,068,447</u></b>
<b>U.S. Department of Health and Human Services</b>					
<b>Indiana Department of Workforce Development ("DWD")</b>					
Jobs for America's Graduates - TANF	93.558	JAG TANF 7-10	176,000	50,326	50,326
Jobs for America's Graduates - TANF	93.558	JAG TANF 8-10	294,000	196,559	180,581
<b>Total for U.S. Department of Health and Human Services</b>				<b><u>246,885</u></b>	<b><u>230,907</u></b>
<b>U.S. Department of Education</b>					
<b>Indiana Department of Workforce Development ("DWD")</b>					
Vocational Rehabilitation Grant	84.126	IFA 8-10	3432	687	-
<b>Total for U.S. Department of Education</b>				<b><u>687</u></b>	<b><u>-</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 2,252,255</u></b>	<b><u>\$ 1,299,354</u></b>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**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, 2019. 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, 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 America's Graduates	JAG 7-10	187,055	\$ 87,083
Jobs for America's Graduates	JAG 8-10	187,055	33,829
WorkINDiana	WIN 7-10	24,700	11,555
WorkINDiana	WIN 8-10	40,859	19,566
Jobs for Hoosiers	JFH-710	13,800	4,120
			<u>156,153</u>
<b>Total Expenditures of State and Local Awards</b>			<u><u>\$ 156,153</u></u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

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

**Section III – Federal Awards 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  
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, 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 December 27, 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  
December 27, 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, 2019. 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, 2019.

### **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

December 27, 2019

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**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 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 – WIOA Adult Program
17.259*	U.S. Dept. of Labor – WIOA Youth Activities
17.278*	U.S. Dept. of Labor – WIA/WIOA Dislocated Worker Formula Grants

\*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

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Section II – Financial Statement Findings**

There were no financial statement findings for the current year ended June 30, 2019.

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

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