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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

August 28, 2020

Board of Directors
Grow Southwest Indiana Workforce Board, Inc.
318 Main Street
Evansville, IN 47708

We have reviewed the audit report of Grow Southwest 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 Grow Southwest 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 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

**Grow Southwest Indiana
Workforce 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

**GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grow Southwest Indiana Workforce Board, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Grow Southwest 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 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 Grow Southwest 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 Grow Southwest 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 schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on January 22, 2020 our consideration of Grow Southwest 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
January 22, 2020

GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS		2019	2018
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 95,613	\$ 235,343
Grants receivable		304,778	226,754
Receivables - other		142	33,486
Prepaid expenses		<u>31,906</u>	<u>34,127</u>
Total current assets		<u>432,439</u>	<u>529,710</u>
Total assets		<u><u>\$ 432,439</u></u>	<u><u>\$ 529,710</u></u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 268,547	\$ 321,478
Deferred revenue		9,034	3,530
Accrued payroll and taxes		19,645	20,908
Other accrued expenses		<u>31,723</u>	<u>20,593</u>
Total current liabilities		<u>328,949</u>	<u>366,509</u>
 NET ASSETS:			
Without donor restrictions		20,179	16,239
With donor restrictions		<u>83,311</u>	<u>146,962</u>
Total net assets		<u>103,490</u>	<u>163,201</u>
Total liabilities and net assets		<u><u>\$ 432,439</u></u>	<u><u>\$ 529,710</u></u>

See accompanying notes to financial statements.

GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Federal grant revenue	\$ 2,402,261	\$ -	\$ 2,402,261
Other grant revenue	564,210	-	564,210
Fees for service	-	-	-
Contributions	-	74,620	74,620
	2,966,471	74,620	3,041,091
Net assets released from restrictions	138,271	(138,271)	-
	3,104,742	(63,651)	3,041,091
EXPENSES			
Program activities	2,897,091	-	2,897,091
Management and general	203,711	-	203,711
	3,100,802	-	3,100,802
CHANGE IN NET ASSETS	3,940	(63,651)	(59,711)
NET ASSETS, BEGINNING OF YEAR	16,239	146,962	163,201
NET ASSETS, END OF YEAR	\$ 20,179	\$ 83,311	\$ 103,490

See accompanying notes to financial statements.

2018

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 3,192,932	\$ -	\$ 3,192,932
702,146	-	702,146
-	-	-
1,098	92,910	94,008
<u>3,896,176</u>	<u>92,910</u>	<u>3,989,086</u>
84,452	(84,452)	-
<u>3,980,628</u>	<u>8,458</u>	<u>3,989,086</u>
3,790,035	-	3,790,035
182,405	-	182,405
<u>3,972,440</u>	<u>-</u>	<u>3,972,440</u>
8,188	8,458	16,646
<u>8,051</u>	<u>138,504</u>	<u>146,555</u>
<u>\$ 16,239</u>	<u>\$ 146,962</u>	<u>\$ 163,201</u>

GROW SOUTHWEST 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 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 348,980	\$ 56,363	\$ 405,343
Benefits	55,304	5,493	60,797
Travel expense	20,554	2,693	23,247
Facility expense	225,031	21,181	246,212
Communications	7,325	420	7,745
Office supplies	2,816	2,404	5,220
Office equipment	6,437	-	6,437
Professional fees	-	107,410	107,410
Outreach	84,690	4,570	89,260
Liability insurance	-	3,177	3,177
Meeting expense	-	-	-
Direct training	45,052	-	45,052
Sub-contractor expenses	<u>2,100,902</u>	<u>-</u>	<u>2,100,902</u>
Total expenses	<u><u>\$ 2,897,091</u></u>	<u><u>\$ 203,711</u></u>	<u><u>\$ 3,100,802</u></u>

See accompanying notes to financial statements.

GROW SOUTHWEST 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 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 372,116	\$ 30,972	\$ 403,088
Benefits	53,931	3,548	57,479
Travel expense	23,423	1,560	24,983
Facility expense	242,748	23,445	266,193
Communications	4,247	294	4,541
Office supplies	2,183	4,056	6,239
Office equipment	51,937	-	51,937
Professional fees	-	107,410	107,410
Outreach	56,814	7,483	64,297
Liability insurance	-	3,439	3,439
Meeting expense	-	198	198
Direct training	53,696	-	53,696
Sub-contractor expenses	2,928,940	-	2,928,940
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 3,790,035</u>	<u>\$ 182,405</u>	<u>\$ 3,972,440</u>

See accompanying notes to financial statements.

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

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (59,711)	\$ 16,646
Adjustments to reconcile change in net assets to net		
Increase (decrease) in cash from changes in:		
Grants receivable	(78,024)	143,074
Receivables - other	33,344	(33,486)
Prepaid expenses	2,221	8,398
Accounts payable	(52,931)	(81,233)
Deferred revenue	5,504	(57,345)
Accrued payroll and taxes	(1,263)	2,579
Accrued other expenses	11,130	(1,469)
	(139,730)	(2,836)
Net cash provided by (used in) operating activities		
	(139,730)	(2,836)
CASH, BEGINNING OF YEAR	235,343	238,179
CASH, END OF YEAR	\$ 95,613	\$ 235,343

See accompanying notes to financial statements.

GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Grow Southwest 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 provides policy guidance and oversight to the WorkOne system in Indiana's Region 11 Economic Growth Region. The Region 11 Economic Growth Region includes Vanderburgh, Warrick, Posey, Gibson, Spencer Perry, Pike, Dubois and Knox 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, Grow Southwest 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 Grow Southwest 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 Grow Southwest 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 Grow Southwest 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.

GROW SOUTHWEST INDIANA WORKFORCE 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 \$74,620 and \$92,910, 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.

GROW SOUTHWEST INDIANA WORKFORCE 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.

The Organization has examined this issue and has determined there are no material contingent tax liabilities at June 30, 2019 and 2018. 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.

SUBSEQUENT EVENTS

Subsequent events are evaluated through January 22, 2020, which is the date the financial statements were available to be issued.

GROW SOUTHWEST INDIANA WORKFORCE 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.

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	\$ 304,778	\$ 226,754
	\$ 304,778	\$ 226,754

NOTE 3 – 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 as of June 30, 2019 and 2018. At June 30, 2019 and 2018 bank balances were in excess of FDIC coverage by \$54,866 and \$8,824 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.

GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

During the year ended June 30, 2016, the Indiana Department of Workforce Development changed its policies regarding reporting and tracking of State-owned equipment and furniture, increasing the value of assets required to be recorded and reported from \$500 to \$5,000. As a result, the total value of assets meeting the new State reporting threshold for the years ended June 30, 2019 and 2018 were both \$138,824. 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 payments are made.

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

	<u>2019</u>	<u>2018</u>
Youth Employment Services Program	\$ 5,383	\$ 7,568
Dubois County Bootcamp	424	424
Fifth Third JAG	4,159	4,895
STEM Challenge	6,924	5,257
Teacher Bootcamp	42,935	36,186
Toyota	22,783	9,177
Advanced Manufacturing	-	83,327
Other	703	128
	<u>\$ 83,311</u>	<u>\$ 146,962</u>

GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 – OPERATING LEASES

The Organization leases three office spaces for the operation of its programs. The Organization is reimbursed by the Regional Operator and a Service Provider using these spaces. In addition, the Organization leases an office copy machine and other equipment. The unreimbursed portion of rent expense amounted to \$246,212 and \$266,192 for the years ended June 30, 2019 and 2018, respectively. Future minimum payments on non-cancellable leases beyond June 30, 2019 are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 342,136
2021	6,436
2022	6,021
2023	3,185
2024	-
Thereafter	-
	\$ 357,778

NOTE 7 – EMPLOYEE RETIREMENT PLAN

The Organization has a simple IRA plan open to all employees after 90 days of employment. The Organization matches 100% of the first 3% of the employees' contributions. The Organization's contributions for the years ended June 30, 2019 and 2018 were \$11,279 and \$12,421, respectively.

NOTE 8 – RELATED-PARTY TRANSACTIONS

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

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 \$400,533 and \$495,583, respectively.

SUPPLEMENTARY INFORMATION

GROW SOUTHWEST INDIANA WORKFORCE 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
U.S. Department of Labor					
Passed through Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (PY17 Program)	17.258	WIOA 7-11	508,795	\$ 119,848	\$ 77,953
WIOA Adult Program (PY17 Admin)	17.258	WIOA 7-11	56,532	6,478	6,000
WIOA Adult Program (PY18 Program)	17.258	WIOA 8-11	449,064	276,253	153,520
WIOA Adult Program (PY18 Admin)	17.258	WIOA 8-11	49,895	49,895	25,000
WIOA Adult Formula Grants (PY18 WIOASP)	17.258	WIOASP 8-11	150,000	88,953	74,124
				<u>541,427</u>	<u>336,597</u>
WIOA Youth Activities (PY17 Program)	17.259	WIOA 7-11	547,119	230,589	173,987
WIOA Youth Activities (PY17 Admin)	17.259	WIOA 7-11	60,790	60,790	-
WIOA Youth Activities (PY18 Program)	17.259	WIOA 8-11	476,301	235,700	163,167
				<u>527,079</u>	<u>337,154</u>
WIOA Dislocated Worker Formula Grants (PY17 Program)	17.278	WIOA 7-11	668,307	187,657	117,018
WIOA Dislocated Worker Formula Grants (PY17 Admin)	17.278	WIOA 7-11	74,255	74,255	21,288
WIOA Dislocated Worker Formula Grants (PY18 Program)	17.278	WIOA 8-11	574,738	413,414	315,136
WIOA Dislocated Worker Formula Grants (PY18 Admin)	17.278	WIOA 8-11	63,859	62,822	26,427
WIOA Dislocated Worker Formula Grants (PY16 Work Ethics)	17.278	WEC 6-11	50,000	6,043	-
WIOA Dislocated Worker Formula Grants (PY18 Case Mgmt)	17.278	WIOACM 8-11	58,876	2,640	2,640
				<u>746,831</u>	<u>482,509</u>
Total WIOA Cluster passed through DWD				<u>1,815,337</u>	<u>1,156,260</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

GROW SOUTHWEST INDIANA WORKFORCE 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
Passed through Indiana Department of Workforce Development ("DWD") continued					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 8-11	120,000	\$ 120,000	\$ -
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 8-11	75,611	84,252	50,522
				<u>204,252</u>	<u>50,522</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 8-11	36,896	29,517	24,653
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 8-11	36,896	29,517	24,653
Total Employment Service Cluster passed through DWD				<u>263,286</u>	<u>99,828</u>
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	IFA 8-11	56,165	44,932	31,504
Unemployment Insurance State Administration	17.225	RESEA 7-11	205,500	136,108	102,997
Unemployment Insurance State Administration	17.225	RESEA 9-11	180,500	23,203	21,896
				<u>204,243</u>	<u>156,397</u>
Total Unemployment Insurance Recovery				<u>204,243</u>	<u>156,397</u>
Trade Adjustment Assistance	17.245	TAA CM 7-11	140,910	8,670	3,138
Trade Adjustment Assistance	17.245	TAA CM 8-11	68,220	14,214	9,651
Trade Adjustment Assistance	17.245	IFA 8-11	42,255	33,804	28,246
Total Adjustment Assistance				<u>56,688</u>	<u>41,035</u>
Total passed through Indiana Department of Workforce Development				<u>2,339,554</u>	<u>1,453,520</u>
Total for U.S. Department of Labor				<u>2,339,554</u>	<u>1,453,520</u>
U.S. Department of Health and Human Services					
Passed through Jobs for American Graduates					
WIN - Temporary Assistance for Needy Families	93.558	WIN TANF 7-11	3,848	3,848	2,660
WIN - Temporary Assistance for Needy Families	93.558	WIN TANF 8-11	13,903	12,989	12,435
Jobs for America's Graduates - Temporary Assistance for Needy Families	93.558	JAG TANF 8-11	69,000	45,822	43,434
Total for U.S. Department of Health and Human Services				<u>62,659</u>	<u>58,529</u>
U.S Department of Education					
Vocational Rehabilitation State Grants	84.126	IFA 8-11	243	48	44
Total for U.S. Department of Education				<u>48</u>	<u>44</u>
Total Expenditures of Federal Awards				<u>\$ 2,402,261</u>	<u>\$ 1,512,093</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

GROW SOUTHWEST 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 (the "Schedule") includes the federal grant activity of Grow Southwest Indiana Workforce Board, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Grow Southwest Indiana Workforce Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Grow Southwest Indiana Workforce 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 the information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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

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

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

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 America's Graduates	JAG 7-11	498,795	\$ 49,398
Jobs for America's Graduates	JAG 8-11	498,795	440,925
WorkINDiana	WIN-7-11	54,440	10,149
WorkINDiana	WIN-8-11	66,507	25,850
ABE	IFA-7-11	3,036	2,429
HIRE	IFA-7-11	15,535	6,618
Jobs for Hoosiers	JFH-7-11	27,400	4,611
Total Expenditures of State and Local Awards			\$ 539,980

**GROW SOUTHWEST INDIANA WORKFORCE BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT 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 awards 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
Grow Southwest 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 Grow Southwest 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 January 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grow Southwest 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 Grow Southwest 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 Grow Southwest 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
January 22, 2020



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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
Grow Southwest Indiana Workforce Board, Inc.

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Grow Southwest 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 Grow Southwest 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 Grow Southwest 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 Grow Southwest 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
January 22, 2020

**GROW SOUTHWEST INDIANA WORKFORCE 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

Programs tested as major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258*	U.S. Dept. of Labor – WIA/WIOA Adult Program
17.259*	U.S. Dept. of Labor – WIA/WIOA Youth Activities
17.278*	U.S. Dept. of Labor – WIA/WIOA Dislocated Worker Formula Grants

* 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

**GROW SOUTHWEST INDIANA WORKFORCE 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.