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September 15, 2020

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

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

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

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

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INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

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

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	14
Notes to Schedule of Expenditures of Federal Awards	16
Schedule of Expenditures for State and Local Awards	17
Summary Schedule of Prior Audit Findings.....	18
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 <i>Government Auditing Standards</i>	19
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	21
Schedule of Findings and Questioned Costs.....	23



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Western Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Western Indiana 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 Western Indiana Workforce Investment Board, Inc. as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on November 18, 2019 our consideration of Western Indiana Workforce Investment Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P. C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 18, 2019

WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS		
	2019	2018
CURRENT ASSETS:		
Cash	\$ 273,007	\$ 255,266
Grants receivable	227,697	339,944
Prepaid expenses	37,375	32,967
Total current assets	538,079	628,177
Total assets	\$ 538,079	\$ 628,177
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 189,886	\$ 265,910
Accrued payroll and taxes	56,820	54,804
Due to service providers	-	4,387
Other accrued expenses	47,173	49,909
Total current liabilities	293,879	375,010
NET ASSETS:		
Without donor restrictions	244,200	253,167
Total net assets	244,200	253,167
Total liabilities and net assets	\$ 538,079	\$ 628,177

See accompanying notes to financial statements.

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

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal grant revenue	\$ 2,000,426	\$ -	\$ 2,000,426
Other grant revenue	771,579	-	771,579
Miscellaneous income	2,678	-	2,678
Total revenue and support	<u>2,774,683</u>	<u>-</u>	<u>2,774,683</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>2,774,683</u>	<u>-</u>	<u>2,774,683</u>
EXPENSES			
Program activities	2,626,087	-	2,626,087
Management and general	157,563	-	157,563
Total expenses	<u>2,783,650</u>	<u>-</u>	<u>2,783,650</u>
CHANGE IN NET ASSETS	(8,967)	-	(8,967)
NET ASSETS, BEGINNING OF YEAR	<u>253,167</u>	<u>-</u>	<u>253,167</u>
NET ASSETS, END OF YEAR	<u>\$ 244,200</u>	<u>\$ -</u>	<u>\$ 244,200</u>

See accompanying notes to financial statements.

2018

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 2,449,209	\$ -	\$ 2,449,209
574,532	-	574,532
3,317	-	3,317
<u>3,027,058</u>	<u>-</u>	<u>3,027,058</u>
2,288	(2,288)	-
<u>3,029,346</u>	<u>(2,288)</u>	<u>3,027,058</u>
2,868,961	-	2,868,961
162,626	-	162,626
<u>3,031,587</u>	<u>-</u>	<u>3,031,587</u>
(2,241)	(2,288)	(4,529)
<u>255,408</u>	<u>2,288</u>	<u>257,696</u>
<u>\$ 253,167</u>	<u>\$ -</u>	<u>\$ 253,167</u>

WESTERN INDIANA 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>
OPERATING EXPENSES			
Salaries	\$ 265,766	\$ 28,950	\$ 294,716
Employee benefits	108,882	7,897	116,779
Travel	10,499	1,902	12,401
Facilities	181,594	7,880	189,474
Communications	42,513	300	42,813
Outreach	47,551	2,112	49,663
Office supplies	5,990	283	6,273
Postage	250	-	250
Office equipment	346	347	693
Professional fees	-	107,892	107,892
Liability insurance	7,082	-	7,082
Meeting expense	3,173	-	3,173
Sub-contractor expenses	1,952,441	-	1,952,441
	<u>1,952,441</u>	<u>-</u>	<u>1,952,441</u>
Total expenses	<u>\$ 2,626,087</u>	<u>\$ 157,563</u>	<u>\$ 2,783,650</u>

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

WESTERN INDIANA WORKFORCE INVESTMENT 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	\$ (8,967)	\$ (4,529)
Adjustments to reconcile change in net assets to net		
Increase (decrease) in cash from changes in:		
Grants receivable	112,247	22,635
Prepaid expenses	(4,408)	8,069
Accounts payable	(76,024)	51,797
Accrued payroll and taxes	2,016	(1,685)
Due to service providers	(4,387)	(151,621)
Other accrued expenses	(2,736)	4,335
	17,741	(70,999)
Net cash provided by (used in) operating activities		
CASH, BEGINNING OF YEAR	255,266	326,265
CASH, END OF YEAR	\$ 273,007	\$ 255,266

See accompanying notes to financial statements.

WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

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

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

FINANCIAL STATEMENT PRESENTATION

The Organization is required to report information regarding its financial position and activities according to two classes of net assets net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets of Western Indiana 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 Western Indiana 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 Western Indiana Workforce Investment Board, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

As of June 30, 2019 and 2018, the Organization had no net assets with donor restrictions.

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.

Payroll costs and related payroll benefits, telephone costs and rent will be allocated based on time charged by the employee for the month. Cost pools are used to allocate expenses. Operational costs of running the WorkOne offices are allocated to WIOA Adult, Dislocated Worker and Youth only. Indirect administrative and program development and are allocated based on direct costs.

WESTERN INDIANA 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 contracted services under grant agreements. Grant revenue is recognized as eligible expenses are incurred. No allowance for uncollectible grants has been recorded. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts required prior to expenditures being incurred are reflected as unearned revenue on the statement of financial position.

CONTRIBUTIONS AND OTHER GRANT REVENUE

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. The Organization received other grant revenue of \$771,579 and \$574,532 during the years ended June 30, 2019 and 2018, respectively.

CONTRIBUTED SERVICES

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

No amounts have been reflected in the financial statements for donated services for the years ended June 30, 2019 and 2018.

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.

WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

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.

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.

RECLASSIFICATION

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

SUBSEQUENT EVENTS

Subsequent events are evaluated through November 18, 2019, which is the date the financial statements were available to be issued.

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	<u>\$ 227,697</u>	<u>\$ 339,944</u>

WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at a single bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year, the balance in this account may exceed the FDIC threshold. As of June 30, 2019 and 2018, the Organization's uninsured balance was \$129,762 and \$0, respectively.

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

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

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 \$114,178 and \$114,178, respectively. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

NOTE 5 – EMPLOYEE RETIREMENT PLAN

Pension contributions for the staff of the Organization are made to individual money purchase plans. Upon completion of one (first) year of employment, a pension contribution is made retroactively to the employee start date, with contributions proceeding on a continuous basis thereafter. If employment ends prior to the completion of one (first) full year, all first-year contributions are forfeited. Contributions to the plan for the years ended June 30, 2019 and 2018 were \$22,808 and \$22,076, respectively.

WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 – RELATED PARTIES

The Organization has obtained services from related parties for service provider expenses, training, and annual membership fees. Of these related parties, all represent companies affiliated with board members. During the years ended June 30, 2019 and 2018, these companies paid \$6,500 and \$7,850 for annual sponsorships and dues, respectively.

NOTE 7 – OPERATING LEASES

The Organization leases space for operation of its programs. Rent expense for the years ended June 30, 2019 and 2018, was \$167,935 and \$198,486, respectively.

Future minimum lease payments on leases with terms beyond June 30, 2019, are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 102,194
2021	97,469
2022	97,469
2023	97,469
2024	81,225
Thereafter	-
Total	<u>\$ 475,826</u>

NOTE 8 – INFORMATION ON LIQUIDITY

The Organization receives its funding primarily through federal and state reimbursable grants. Funds are awarded annually and are drawn as allowable costs are incurred. Liquid financial assets consist of cash and grants receivable. Financial assets available for available for cash needs for general expenditures within the next year were \$500,705 and \$595,210 for the years ended June 30, 2019 and 2018.

SUPPLEMENTARY INFORMATION

WESTERN INDIANA 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	Subrecipient Pass Through
U.S. Department of Labor					
Indiana Department of Workforce Development ('DWD')					
Workforce Investment Act ("WIA") Cluster					
WIOA Adult Program (PY17 Program)	17.258	WIOA-7-07	569,000	\$ 370,774	\$ 266,429
WIOA Adult Program (PY17 Admin)	17.258	WIOA-7-07	63,222	60,674	60,674
WIOA Adult Program (PY18 Program)	17.258	WIOA-8-07	474,802	80,373	17,463
WIOA Adult Program (PY18 Admin)	17.258	WIOA-8-07	52,755	12,847	-
				<u>524,668</u>	<u>344,566</u>
WIOA Youth Activities (PY17 Program)	17.259	WIOA-7-07	626,827	509,937	355,700
WIOA Youth Activities (PY17 Admin)	17.259	WIOA-7-07	69,648	69,648	11,416
WIOA Youth Activities (PY18 Program)	17.259	WIOASP-8-07	59,396	5,142	5,142
				<u>584,727</u>	<u>372,258</u>
WIOA Dislocated Worker (PY17 Program)	17.278	WIOA-7-07	350,968	134,181	91,545
WIOA Dislocated Worker (PY17 Admin)	17.278	WIOA-7-07	38,995	38,995	-
WIOA Dislocated Worker (PY18 Program)	17.278	WIOA-8-07	352,369	168,839	96,693
				<u>342,015</u>	<u>188,238</u>
Subtotal for WIA Cluster passed through DWD				<u>1,451,410</u>	<u>905,062</u>
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA-8-07	43,470	39,001	4,847
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-8-07	120,000	120,000	-
				<u>159,001</u>	<u>4,847</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA-8-07	11,249	7,280	825
Subtotal for Employment Service Cluster passed through DWD				<u>166,281</u>	<u>5,672</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

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

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Subrecipient Pass Through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD") continued					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	IFA-8-07	22,758	\$ 14,728	\$ 1,668
Re-Employment Services and Eligibility Assessment	17.225	RESEA-7-07	153,000	131,645	121,588
Subtotal for Unemployment Insurance Recovery passed through DWD				146,373	123,256
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	IFA-8-07	13,655	8,837	1,001
Trade Adjustment Assistance	17.245	TAA CASE MGT 7-07	27,300	10,099	4,920
Trade Adjustment Assistance	17.245	TAA CASE MGT 8-07	68,088	16,787	14,994
Subtotal for Trade Adjustment Assistance passed through DWD				35,723	20,915
Total for U.S. Department of Labor				1,799,787	1,054,905
Temporary Assistance for Needy Families					
Jobs for American Graduates	93.558	JAG TANF-7-07	88,000	4,387	-
Jobs for American Graduates	93.558	JAG TANF-8-07	176,000	159,524	154,880
WorkINdiana	93.558	WIN TANF 6-07	35,000	3,500	3,500
WorkINdiana	93.558	WIN TANF 6-07	33,228	33,228	29,909
Subtotal for Temporary Assistance for Needy Families				200,639	188,289
Total for U.S. Department of Health and Human Services				200,639	188,289
Total passed through DWD				2,000,426	1,243,194
Total Expenditures of Federal Awards				\$ 2,000,426	\$ 1,243,194

See accompanying notes to Schedule of Expenditures of Federal Awards

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

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Western Indiana Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 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 Western Indiana Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Western Indiana Workforce Investment Board, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST

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

**WESTERN INDIANA WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 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 7-07	443,471	\$ 171,652
Jobs for America's Graduates	JAG 8-07	443,471	339,961
Hoosier Initiative for Re-Entry Staff	IFA 8-07	9,103	3,793
Jobs for Hoosiers	JFH07	12,800	5,510
WorkINdiana	WIN-7-07	127,500	108,098
WorkINdiana	WIN-8-07	158,956	142,564
Total Expenditures of State and Local Awards			\$ 771,578

**WESTERN INDIANA WORKFORCE INVESTMENT 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 Award Findings and Questioned Costs

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Indiana Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Indiana Workforce Investment Board, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Indiana Workforce Investment Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Indiana Workforce Investment Board, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 18, 2019



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

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

Report on Compliance for Each Major Federal Program

We have audited Western Indiana Workforce Investment Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Western Indiana Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2019. Western Indiana Workforce Investment Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Western Indiana Workforce Investment Board, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Western Indiana Workforce Investment Board, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Western Indiana Workforce Investment Board, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Western Indiana Workforce Investment Board, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Western Indiana Workforce Investment Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Western Indiana Workforce Investment Board, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Western Indiana Workforce Investment Board, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 18, 2019

**WESTERN INDIANA 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 Section 2 CFR section 200.516(a) Yes No

Program tested as major program:

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

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

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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