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February 11, 2021

Board of Directors  
Northeast Indiana Works, Inc.  
200 E Main Street, Ste. 910  
Fort Wayne, IN 46802

We have reviewed the audit report of Northeast Indiana Works, Inc. which was opined upon by Wipfli LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Northeast Indiana Works, Inc. as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Wipfli LLP prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

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

Paul D. Joyce, CPA  
State Examiner

# Northeast Indiana Works, Inc.

Financial Statements and  
Supplementary Information

Years Ended June 30, 2020 and 2019

NORTHEAST INDIANA WORKS  
advancing workforce skills



# Northeast Indiana Works, Inc.

Financial Statements and Supplementary Information  
Years Ended June 30, 2020 and 2019

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## **Independent Auditor's Report**

Board of Directors  
Northeast Indiana Works, Inc.  
Fort Wayne, Indiana

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

We have audited the accompanying financial statements of Northeast Indiana Works, Inc., which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses and cash flows for the year 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; 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 Northeast Indiana Works, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Prior Period Financial Statements**

The financial statements of Northeast Indiana Works, Inc. as of June 30, 2019, were audited by other auditors whose report dated December 4, 2019 expressed an unmodified opinion on those statements.

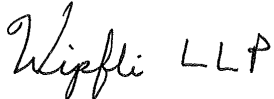
## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance, which is required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. 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 16, 2020, on our consideration of Northeast Indiana Works, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on the effectiveness of Northeast Indiana Works, Inc.'s 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* in considering Northeast Indiana Works, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

December 16, 2020  
Madison, Wisconsin

# Northeast Indiana Works, Inc.

## Statements of Financial Position

June 30, 2020 and 2019

	<i>Assets</i>	<b>2020</b>	<b>2019</b>
<b>Current assets:</b>			
Cash		\$ 212,571	\$ 137,041
Grants and contracts receivable		554,447	605,492
Other receivables		61	39,576
Prepaid expenses		81,301	86,454
<hr/>			
Total current assets		848,380	868,563
<hr/>			
<b>TOTAL ASSETS</b>		<b>\$ 848,380</b>	<b>\$ 868,563</b>
<hr/>			
<i>Liabilities and Net Assets</i>			
<hr/>			
<b>Current liabilities:</b>			
Accounts payable		\$ 629,791	\$ 617,585
Accrued payroll and related expenses		109,307	147,334
Refundable advances		4,184	386
<hr/>			
Total current liabilities		743,282	765,305
<hr/>			
<b>Net assets:</b>			
Without donor restrictions		101,081	99,241
With donor restrictions		4,017	4,017
<hr/>			
Total net assets		105,098	103,258
<hr/>			
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 848,380</b>	<b>\$ 868,563</b>
<hr/>			

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

## Statements of Activities

Years Ended June 30, 2020 and 2019

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 6,395,603	\$ 0	\$ 6,395,603
Contributions	10,000	0	10,000
Other revenue	38	0	38
<b>Total revenue</b>	<b>6,405,641</b>	<b>0</b>	<b>6,405,641</b>
Expenses:			
Program activities:			
Classroom training	131,389	0	131,389
Supportive services	5,550	0	5,550
Service provider expenses	3,026,821	0	3,026,821
WorkOne operations	2,828,049	0	2,828,049
<b>Total program activities</b>	<b>5,991,809</b>	<b>0</b>	<b>5,991,809</b>
Management and general	411,992	0	411,992
<b>Total expenses</b>	<b>6,403,801</b>	<b>0</b>	<b>6,403,801</b>
Change in net assets	1,840	0	1,840
Net assets at beginning of year	99,241	4,017	103,258
<b>Net assets at end of year</b>	<b>\$ 101,081</b>	<b>\$ 4,017</b>	<b>\$ 105,098</b>

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

## Statements of Activities (Continued) Years Ended June 30, 2020 and 2019

	2019		Total
	Without Donor Restrictions	With Donor Restrictions	
<b>Revenue:</b>			
Grant revenue	\$ 7,676,363	\$ 0	\$ 7,676,363
Other revenue	421	0	421
<b>Total revenue</b>	<b>7,676,784</b>	<b>0</b>	<b>7,676,784</b>
<b>Expenses:</b>			
<b>Program activities:</b>			
Classroom training	465,411	0	465,411
On-the-job training	388	0	388
Supportive services	6,840	0	6,840
Service provider expenses	3,676,198	0	3,676,198
WorkOne operations	3,047,926	0	3,047,926
<b>Total program activities</b>	<b>7,196,763</b>	<b>0</b>	<b>7,196,763</b>
<b>Management and general</b>	<b>479,766</b>	<b>0</b>	<b>479,766</b>
<b>Total expenses</b>	<b>7,676,529</b>	<b>0</b>	<b>7,676,529</b>
Change in net assets	255	0	255
Net assets at beginning of year	98,986	4,017	103,003
<b>Net assets at end of year</b>	<b>\$ 99,241</b>	<b>\$ 4,017</b>	<b>\$ 103,258</b>

# Northeast Indiana Works, Inc.

## Statements of Functional Expenses Years Ended June 30, 2020 and 2019

	<b>2020</b>		
	<b>Program Activities</b>	<b>Management &amp; General</b>	<b>Total</b>
Expenses:			
Salaries and benefits	\$ 2,136,425	\$ 310,401	\$ 2,446,826
Travel, training and conferences	23,514	2,203	25,717
Space and insurance costs	421,592	23,459	445,051
Telephone and internet	47,457	2,046	49,503
Supplies, postage and delivery fees	8,528	981	9,509
Equipment, leases and maintenance	39,699	3,290	42,989
Contracted services	150,834	69,612	220,446
Customer expenses	136,939	0	136,939
Service providers - non-customer expenses	2,930,768	0	2,930,768
Service providers - customer expenses	96,053	0	96,053
<b>Total expenses</b>	<b>\$ 5,991,809</b>	<b>\$ 411,992</b>	<b>\$ 6,403,801</b>

	<b>2019</b>		
	<b>Program Activities</b>	<b>Management &amp; General</b>	<b>Total</b>
Expenses:			
Salaries and benefits	\$ 2,292,042	\$ 355,102	\$ 2,647,144
Travel, training and conferences	42,266	4,149	46,415
Space and insurance costs	438,021	23,569	461,590
Telephone and internet	39,922	2,287	42,209
Supplies, postage and delivery fees	8,641	1,565	10,206
Equipment, leases and maintenance	62,690	7,533	70,223
Contracted services	149,344	85,561	234,905
Customer expenses	487,639	0	487,639
Service providers - non-customer expenses	3,495,552	0	3,495,552
Service providers - customer expenses	180,646	0	180,646
<b>Total expenses</b>	<b>\$ 7,196,763</b>	<b>\$ 479,766</b>	<b>\$ 7,676,529</b>

# Northeast Indiana Works, Inc.

## Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Increase (decrease) in cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,840	\$ 255
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Grants and contracts receivable	51,045	270,931
Other receivables	39,515	( 33,632)
Prepaid expenses	5,153	28,285
Accounts payable	12,206	( 193,750)
Accrued payroll and related expenses	( 38,027)	( 8,641)
Refundable advances	3,798	( 250,490)
Net cash provided by (used in) operating activities	75,530	( 187,042)
Changes in cash	75,530	( 187,042)
Cash at beginning of year	137,041	324,083
Cash at end of year	\$ 212,571	\$ 137,041

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Northeast Indiana Regional Workforce Investment Board, Inc. was organized as a not-for-profit corporation in 2011. On April 29, 2014, the organization received approval to change the organization's name to Northeast Indiana Works, Inc. (NEINW). The corporation was formed to receive and administer funds for educational, charitable, job training and workforce development purposes. Currently the corporation oversees Workforce Development Services provided in eleven (11) counties in Northeast Indiana. For the fiscal years ending June 30, 2020 and 2019, over 99% of the total revenue is federal pass-through funding or state funding received on behalf of the Region 3 Workforce Board from the State of Indiana, Department of Workforce Development.

#### **Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

#### **Classification of Net Assets**

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NEINW are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Change in Accounting Policy**

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. NEINW has applied the amendments in this ASU on a modified prospective basis. There was no change on opening balances of net assets and no prior period results were restated.

# Northeast Indiana Works, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

NEINW's grant awards are contributions which are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

#### **Property and Equipment**

Property and equipment purchased with grant funds is overseen by the State of Indiana while used in the programs. The value of this property is not presented in NEINW's financial statements since this property is owned by the State of Indiana or the Federal government.

#### **Income Taxes**

NEINW is a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and Indiana income taxes.

NEINW is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. NEINW has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# Northeast Indiana Works, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Functional Allocation of Costs**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Other operating costs are allocated based upon utilization.

The State of Indiana Department of Workforce Development has implemented the Workforce Innovation and Opportunity Act requirement to share infrastructure and additional costs associated with the WorkOne Centers through an Infrastructure Funding Agreement (IFA). This agreement establishes the method of allocating costs based on the benefit received by each partner. NEINW allocates its portion of the shared costs per its cost allocation plan. For June 30, 2020 and 2019, the partners included in the IFA paid \$183,850 and \$180,509, respectively, of the WorkOne Center costs. The amount of the IFA reimbursement is subject to change dependent on the costs of the WorkOne Centers and the partners included in the IFA.

#### **New Accounting Pronouncements**

In May 2014, the FASB issued ASU 2014-09 *Revenue From Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 was originally effective for nonpublic entities for annual periods beginning after December 15, 2018. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* that extended the effective date for certain entities, including NEINW, to annual periods beginning after December 15, 2019.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* that extended the effective date for certain entities, including NEINW, to annual periods beginning after December 15, 2021.

NEINW is currently evaluating the effects of these ASUs.

#### **Subsequent Events**

Subsequent events have been evaluated through December 16, 2020, which is the date the financial statements were available to be issued.

# Northeast Indiana Works, Inc.

## Notes to Financial Statements

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### Note 2: Concentration of Credit Risk

NEINW maintains cash at one financial institution. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year balances in this account may exceed the insurance limits. Management believes this financial institution has a strong credit rating and credit risk related to these deposits is minimal.

### Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of statement of financial position date, comprise the following for NEINW as of June 30:

	2020	2019
Cash	\$ 212,571	\$ 137,041
Grants and contracts receivable	554,447	605,492
Other receivables	61	39,576
Subtotal financial assets	767,079	782,109
Less: accounts payable restricted for grant expenditures	621,700	617,585
Less: accrued payroll and related expenses	109,307	147,334
Less: refundable advances	4,184	386
Less: cash included in net assets with donor restrictions	4,017	4,017
Total	\$ 27,871	\$ 12,787

NEINW does not have a formal liquidity policy. NEINW can rely on lower balances of available financial assets as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source. NEINW has grant commitments for future expenses of approximately \$3,107,000 at June 30, 2020.

### Note 4: Grants Receivable

Grants receivable at June 30, 2020 and 2019 consist of \$554,447 and \$605,492 and consists primarily of amounts due from Indiana Department of Workforce Development for federal and state grants.

### Note 5: Operating Leases

NEINW leases certain buildings and equipment under several operating leases. Total lease expense for NEINW for the years ended June 30, 2020 and 2019, was \$547,994 and \$551,854.

Future minimum lease payments are as follows:

2021	\$ 404,539
2022	233,041
2023	64,022
Total	\$ 701,602

# Northeast Indiana Works, Inc.

## Notes to Financial Statements

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### Note 6: Retirement Plan

NEINW has established a retirement plan authorized under Section 401(k) of the Internal Revenue Code that covers all regular employees. NEINW funds a discretionary contribution as determined by the agency. For the years ended June 30, 2020 and 2019, the discretionary contribution was 3% of the employee's gross compensation. NEINW also matches employee contributions up to 3%. The total retirement expense for the years ended June 30, 2020 and 2019, was \$95,135 and \$102,988.

### Note 7: Grant Awards

At June 30, 2020, NEINW had commitments for future funding under various grant awards of approximately \$3,107,000. The revenue relating to these grants is not recognized in the accompanying financial statements as the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the future.

### Note 8: Related Parties

One member of the Board of Directors is employed by the Indiana Department of Workforce Development that is the primary funding source for NEINW. A second member of the Board of Directors is employed of Northeast Indiana Regional Partnership which subleases office space from NEINW. A third member is employed by Ivy Tech Community College, a training provider for NEINW. A fourth position of the Board of Directors is held by an Adult Education Provider, which provides services to participants with funding received from NEINW. For the year ended June 30, 2019, this position was filled by a board member who was an employee of The Literacy Alliance and during the year ended June 30, 2020, this position was filled by a board member who was an employee of Impact Institute. Impact Institute also subleases office space to NEINW.

Program and administrative expenses included in the statements of activities and statements of functional expenses and accounts payable included in the statements of financial position in connection with the above-described relationships are as follows:

	2020		2019	
	Accounts Payable	Expenditures	Accounts Payable	Expenditures
The Literacy Alliance	\$ 0	\$ 0	\$ 6,344	\$ 195,573
Ivy Tech Community College	42,350	75,640	18,756	58,675
Northeast Indiana Regional Partnership	0	92,772	203	94,965
Impact Insitute	142,403	584,088	0	0
Totals	\$ 184,753	\$ 752,500	\$ 25,303	\$ 349,213

### Note 9: Risks and Uncertainties

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. Future potential impacts to NEINW may include disruptions to its operations. While business disruptions are expected to be temporary, management cannot reasonably estimate the length or severity of this pandemic, including any direct or indirect negative impact on NEINW's financial position, results of operations and cash flows.

# **Supplementary Information**

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# Northeast Indiana Works, Inc.

## Schedule A

### Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended June 30, 2020

CFDA Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT for WIOA CLUSTER</b>						
<b>WIOA Cluster</b>						
17.258	WIOA803	WIOA Adult Program	IN Dept. of Workforce Development	07/01/18-06/30/20	\$ 0	\$ 219,084
17.258	WIOA903	WIOA Adult Program	IN Dept. of Workforce Development	07/01/19-06/30/21	32,715	638,711
17.258	WIOASP803	WIOA Adult Program	IN Dept. of Workforce Development	10/19/18-12/31/20	0	32,912
<b>Total Federal Expenditures CFDA #17.258</b>					<b>32,715</b>	<b>890,707</b>
17.259	WIOA803	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/18-06/30/20	0	20,146
17.259	WIOA903	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/19-06/30/21	497,847	738,484
17.259	WIOASP903	WIOA Youth Activities	IN Dept. of Workforce Development	10/01/19- 03/31/21	0	59,782
17.259	BC903	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/19-06/30/20	0	60,000
<b>Total Federal Expenditures CFDA #17.259</b>					<b>497,847</b>	<b>878,412</b>
17.278	WIOA803	WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	07/01/18-06/30/20	0	123,026
17.278	WIOA803	WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	07/01/18-06/30/20	0	251,675
17.278	WIOA903	WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	07/01/19-06/30/21	0	827,640
17.278	RRCOVID2003	COVID-19 WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	03/23/20-03/31/21	0	34,832
<b>Total Federal Expenditures CFDA #17.278</b>					<b>0</b>	<b>1,237,173</b>
<b>Total Federal Expenditures WIOA Cluster CFDA #17.258, #17.259, #17.278</b>					<b>530,562</b>	<b>3,006,292</b>
<b>DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT for EMPLOYMENT SERVICE CLUSTER</b>						
17.207	BC903	Employment Service/Wagner Peyser Funded Activities	IN Dept. of Workforce Development	07/01/19-06/30/20	0	60,000
<b>Total Federal Expenditures Employment Service Cluster CFDA #17.207</b>					<b>0</b>	<b>60,000</b>
<b>DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT</b>						
17.225	RESEA703	Unemployment Insurance	IN Dept. of Workforce Development	01/01/18-09/30/19	0	2,462
17.225	RESEA903	Unemployment Insurance	IN Dept. of Workforce Development	01/01/19-08/15/20	8,800	372,947
17.225	UICOVID2003	COVID-19 Unemployment Insurance	IN Dept. of Workforce Development	03/23/20-03/31/21	0	16,132
<b>Total Federal Expenditures CFDA #17.225</b>					<b>8,800</b>	<b>391,541</b>
<b>DEPARTMENT OF LABOR TOTAL</b>					<b>539,362</b>	<b>3,457,833</b>

# Northeast Indiana Works, Inc.

Schedule A (Continued)

Schedule of Expenditures of Federal Awards and Other Financial Assistance (Continued)

Year Ended June 30, 2020

CFDA Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
<b>DEPARTMENT OF EDUCATION PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT</b>						
84.002	AE903	Adult Education - Basic Grants to States	IN Dept. of Workforce Development	07/01/19-06/30/20	<u>365,993</u>	<u>367,680</u>
84.126A	Pre-ETS903	Rehabilitation Services Vocational Rehabilitation Grants to States	IN Dept. of Workforce Development	07/01/19-12/31/20	<u>51,000</u>	<u>51,000</u>
<b>DEPARTMENT OF EDUCATION TOTAL</b>					<b><u>416,993</u></b>	<b><u>418,680</u></b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT</b>						
93.558	JAGT803	Temporary Assistance for Needy Families	IN Dept. of Workforce Development	10/01/18-09/30/19	8,400	11,186
93.558	WINTANF803	Temporary Assistance for Needy Families	IN Dept. of Workforce Development	10/01/18-09/30/19	<u>0</u>	<u>385</u>
<b>Total Federal Expenditures CFDA #93.558</b>					<b><u>8,400</u></b>	<b><u>11,571</u></b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL</b>					<b><u>8,400</u></b>	<b><u>11,571</u></b>
<b>Total Federal Expenditures</b>					<b><u>\$ 964,755</u></b>	<b><u>\$ 3,888,084</u></b>
<b>STATE AND LOCAL PROGRAMS</b>						
<b>INDIANA STATE FUNDS FROM INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT</b>						
N/A	AE903	Adult Education	IN Dept. of Workforce Development	07/01/19-06/30/20	1,443,763	1,558,147
N/A	JAG803	Jobs for America's Graduates	IN Dept. of Workforce Development	07/01/18-12/31/19	0	175,265
N/A	JAG903	Jobs for America's Graduates	IN Dept. of Workforce Development	07/01/19-12/31/20	690,958	690,960
N/A	NA	Workforce Ready Grant CDL and C NA	IN Dept. of Workforce Development	07/01/19-06/30/20	0	9,625
N/A	WIN803	Work Indiana	IN Dept. of Workforce Development	07/01/18-12/31/19	0	3,795
N/A	JFH703	Jobs for Hoosiers	IN Dept. of Workforce Development	01/01/17-12/31/19	0	12,161
N/A	JFH903	Jobs for Hoosiers	IN Dept. of Workforce Development	01/01/20-06/30/21	2,051	18,067
N/A	SkillUP603	SkillUP	IN Dept. of Workforce Development	10/21/16-12/31/19	<u>0</u>	<u>33,948</u>
<b>Total Indiana Expenditures</b>					<b><u>2,136,772</u></b>	<b><u>2,501,968</u></b>
<b>LOCAL AND OTHER PROGRAMS</b>						
N/A	NA	SkillUP Support Project	City of Fort Wayne	12/09/19-06/30/20	0	5,550
N/A	NA	Corporate Expenditures	N/A	07/01/19-06/30/20	<u>0</u>	<u>8,199</u>
<b>Total Local and Other Expenditures</b>					<b><u>\$ 0</u></b>	<b><u>\$ 13,749</u></b>
<b>Total Expenditures</b>					<b><u>\$ 3,101,527</u></b>	<b><u>\$ 6,403,801</u></b>

# Northeast Indiana Works, Inc.

Schedule A (Continued)

Schedule of Expenditures of Federal Awards and Other Financial Assistance (Continued)

Year Ended June 30, 2020

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## Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and other financial assistance (the "Schedule") includes the federal and state award activity of Northeast Indiana Works, Inc. under programs of the federal and state governments for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northeast Indiana Works, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Northeast Indiana Works, 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### Note 3 - 10% De Minimis

Northeast Indiana Works, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Northeast Indiana Works, Inc.  
Fort Wayne, IN

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Northeast Indiana Works, Inc. which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northeast Indiana Works, Inc.’s internal control over financial reporting (“internal control”) as a basis for designing 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 Northeast Indiana Works, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast Indiana Works, Inc.’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 entity’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 Northeast Indiana Works, 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 financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 16, 2020  
Madison, Wisconsin

## **Independent Auditor’s Report on Compliance for the Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Northeast Indiana Works, Inc.  
Fort Wayne, IN

### **Report on Compliance for the Major Federal Program**

We have audited Northeast Indiana Works, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2020. Northeast Indiana Works, Inc.'s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

### **Management’s Responsibility for Compliance**

Management is responsible for compliance with statutes, regulations, contracts, and the terms and conditions of its grant awards applicable to its federal programs.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Northeast Indiana Works, Inc.'s major federal program 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* 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 Northeast Indiana Works, 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 the major federal program. However, our audit does not provide legal determination on Northeast Indiana Works, Inc.'s compliance.

### **Opinion on the Major Federal Program**

In our opinion, Northeast Indiana Works, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.


## Report on Internal Control Over Compliance

Management of Northeast Indiana Works, 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 Northeast Indiana Works, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program, 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 Northeast Indiana Works, 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 a 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature of Wipfli LLP in cursive script.

Wipfli LLP

December 16, 2020  
Madison, Wisconsin

# Northeast Indiana Works, Inc.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2020

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## Section I - Summary of Auditor's Results

### Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

### Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

Identification of major federal program:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
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- **U.S. Department of Labor**

Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258, 17.259 and 17.278
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

## Section II - Financial Statement Findings

None

## Section III - Federal Award Findings and Questioned Costs

None

## Section IV - Summary of Prior Year Findings

None