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January 4, 2023

Board of Directors  
JobWorks, Inc.  
7230 Engle Road, Suite 213  
Fort Wayne, IN 46804

We have reviewed the audit report of JobWorks, Inc., which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of JobWorks, Inc. as of June 30, 2021, 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 Indiana 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 cursive script that reads "Tammy White".

Tammy White, CPA  
Deputy State Examiner

**JobWorks, Inc.  
and Subsidiaries**



**Consolidated Financial Statements  
For the Years Ended  
June 30, 2021 and 2020  
(With Single Audit Section)**

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INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

**JOBWORKS, INC. AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS**

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## **Independent Auditor's Report**

To the Board of Directors of  
JobWorks, Inc. and Subsidiaries

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

We have audited the accompanying consolidated financial statements of JobWorks, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated 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 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JobWorks, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the consolidated 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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of state and local awards, as required by the Indiana State Board of Accounts, is presented for additional analysis and is not required to be 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated 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 consolidated 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, 2021 on our consideration of JobWorks, 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 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 JobWorks, Inc.'s internal control over financial reporting and compliance.

***Comer, Nowling And Associates, P.C.***

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
December 16, 2021

**JOBWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>		<b>2021</b>	<b>2020</b>
		<u>          </u>	<u>          </u>
<b>CURRENT ASSETS:</b>			
Cash		\$ 624,641	\$ 1,351,633
Grants receivable		1,604,249	1,308,421
Accounts receivable		294,569	201,093
Prepaid expenses		145,453	140,942
Investments		<u>181,568</u>	<u>131,205</u>
Total current assets		<u>2,850,480</u>	<u>3,133,294</u>
 <b>PROPERTY AND EQUIPMENT:</b>			
Furniture and equipment		124,137	124,137
Less accumulated depreciation		<u>(124,137)</u>	<u>(124,137)</u>
Total fixed assets, net		<u>-</u>	<u>-</u>
Total assets		<u><u>\$ 2,850,480</u></u>	<u><u>\$ 3,133,294</u></u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable		\$ 389,236	\$ 379,674
Accrued payroll taxes and related expenses		630,969	417,304
Deferred revenue		<u>132,918</u>	<u>-</u>
Total current liabilities		<u>1,153,123</u>	<u>796,978</u>
 <b>LONG-TERM DEBT, NET OF CURRENT PORTION:</b>			
		<u>-</u>	<u>1,573,900</u>
Total liabilities		<u>1,153,123</u>	<u>2,370,878</u>
 <b>NET ASSETS:</b>			
Without donor restrictions		<u>1,697,357</u>	<u>762,416</u>
Total liabilities and net assets		<u><u>\$ 2,850,480</u></u>	<u><u>\$ 3,133,294</u></u>

See accompanying notes to consolidated financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>REVENUE AND OTHER SUPPORT</b>		
Grant revenue	\$ 10,928,287	\$ 9,831,322
Corporate revenue	1,210,123	514,852
Investment income	50,363	6,321
Other income	1,576,839	8,766
Total revenue and other support	13,765,612	10,361,261
<b>OPERATING EXPENSES</b>		
Adult	1,186,877	1,162,371
Dislocated worker	1,180,748	561,006
Youth	2,336,022	2,107,281
Ready to Work / Workforce Ready	769,641	143,797
State JAG	1,804,635	1,593,658
Apprenticeship and H-1B Job Training	620,451	641,286
TANF JAG/Youth	431,024	607,404
Fee for service	1,754,017	1,708,500
Other	860,041	1,093,652
Management and general	932,149	961,364
Training division	955,066	546,667
Total operating expenses	12,830,671	11,126,986
<b>INCREASE IN NET ASSETS</b>	934,941	(765,725)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR</b>	762,416	1,528,141
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<b>\$ 1,697,357</b>	<b>\$ 762,416</b>

See accompanying notes to consolidated financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Adult	Dislocated Worker	Youth	Workforce Ready Grants	State JAG	Apprenticeship and H-1B Job Training	TANF JAG/Youth	Fee For Service	Other	Management & General	Training Division	2021 Total
<b>OPERATING EXPENSES</b>												
Wages and benefits	\$ 968,404	\$ 640,660	\$ 1,459,651	\$ 57,730	\$ 1,694,186	\$ 285,837	\$ 336,553	\$ 1,686,643	\$ 792,315	\$ 716,022	\$ 339,124	\$ 8,977,125
Travel and staff development	4,710	2,883	51,073	49	13,540	469	3,954	32,546	747	9,460	4,392	123,823
Facility costs	7,737	6,162	11,467	351	8,153	1,387	1,157	5,995	29,359	48,640	27,576	147,984
Equipment and depreciation	4,241	3,103	12,890	36	7,396	227	1,402	-	6,316	16,521	9,466	61,598
Communications	9,530	5,369	16,440	158	11,370	3,371	1,575	11,047	11,304	6,086	12,248	88,498
Supplies, postage and printing	5,898	1,437	21,577	32	18,207	1,470	1,815	86	6,073	8,187	3,159	67,941
Professional fees and dues	14,878	7,553	20,405	519	14,287	2,478	4,070	17,700	11,743	124,814	92,738	311,185
Regional support	-	-	8,260	-	-	-	-	-	-	-	-	8,260
Subcontracts	2,470	1,770	13,080	-	-	640	13,026	-	-	180	-	31,166
Client benefits	169,009	511,811	721,179	710,766	37,496	324,572	67,472	-	2,184	2,239	466,363	3,013,091
Total operating expenses	<u>\$ 1,186,877</u>	<u>\$ 1,180,748</u>	<u>\$ 2,336,022</u>	<u>\$ 769,641</u>	<u>\$ 1,804,635</u>	<u>\$ 620,451</u>	<u>\$ 431,024</u>	<u>\$ 1,754,017</u>	<u>\$ 860,041</u>	<u>\$ 932,149</u>	<u>\$ 955,066</u>	<u>\$ 12,830,671</u>

See accompanying notes to consolidated financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Adult	Dislocated Worker	Youth	Ready to Work	State JAG	H-1B Job Training	TANF JAG/Youth	Fee For Service	Other	Management & General	Training Division	2020 Total
<b>OPERATING EXPENSES</b>												
Wages and benefits	\$ 919,458	\$ 440,110	\$ 1,242,023	\$ 71,949	\$ 1,411,370	\$ 309,732	\$ 509,988	\$ 1,672,249	\$ 785,024	\$ 701,248	\$ 183,300	\$ 8,246,451
Travel and staff development	8,392	1,755	61,564	1,486	32,028	1,828	10,162	1,644	2,233	18,508	22,062	161,662
Facility costs	25,013	14,380	11,505	420	4,760	1,790	2,038	5,423	144,018	54,587	35,100	299,034
Equipment and depreciation	4,194	1,864	5,582	16	2,286	189	1,345	-	5,578	20,825	717	42,596
Communications	11,697	5,322	7,478	1,026	5,670	2,840	2,313	10,400	14,554	5,931	4,235	71,466
Supplies, postage and printing	6,629	1,368	25,144	581	19,658	2,536	8,148	157	8,976	12,114	2,061	87,372
Professional fees and dues	9,787	4,202	26,688	680	12,709	3,216	6,642	18,627	7,885	145,214	68,187	303,837
Regional support	-	-	9,217	-	-	-	13,229	-	-	-	-	22,446
Client benefits	177,201	92,005	718,080	67,639	105,177	319,155	53,539	-	125,384	2,937	231,005	1,892,122
Total operating expenses	<u>\$ 1,162,371</u>	<u>\$ 561,006</u>	<u>\$ 2,107,281</u>	<u>\$ 143,797</u>	<u>\$ 1,593,658</u>	<u>\$ 641,286</u>	<u>\$ 607,404</u>	<u>\$ 1,708,500</u>	<u>\$ 1,093,652</u>	<u>\$ 961,364</u>	<u>\$ 546,667</u>	<u>\$ 11,126,986</u>

See accompanying notes to consolidated financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 934,941	\$ (765,725)
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	404
Net unrealized (gain) loss on investments	(45,309)	1,371
Gain on forgiveness of debt	(1,573,900)	-
Increase (decrease) in cash from changes in:		
Grants receivable	(295,828)	63,388
Accounts receivable	(93,476)	11,578
Prepaid expenses	(4,511)	(5,308)
Accounts payable	9,562	24,898
Accrued payroll and payroll expenses	213,665	(41,710)
Deferred revenue	132,918	-
	<u>(721,938)</u>	<u>(711,104)</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(5,054)	(7,692)
	<u>(5,054)</u>	<u>(7,692)</u>
Net cash provided by (used in) investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on loans payable	-	1,573,900
	<u>-</u>	<u>1,573,900</u>
Net cash used in financing activities		
<b>NET INCREASE (DECREASE) IN CASH</b>	(726,992)	855,104
<b>CASH, BEGINNING OF YEAR</b>	1,351,633	496,529
<b>CASH, END OF YEAR</b>	<u>\$ 624,641</u>	<u>\$ 1,351,633</u>

See accompanying notes to consolidated financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the accounts of JobWorks, Inc. (the “Organization”), and its wholly owned subsidiary, JobWorks Education & Training Systems, LLC. All material inter-company transactions have been eliminated in consolidation.

**NATURE OF OPERATIONS**

JobWorks, Inc. was organized as an Indiana nonprofit corporation in 1983. The Organization was formed to prepare youth and unskilled adults for entry into the workforce and to provide economically disadvantaged individuals and others facing barriers to employment with job training in Cass, Clark, Crawford, Dubois, Floyd, Gibson, Harrison, Howard, Jasper, Knox, Lake, LaPorte, Miami, Newton, Perry, Pike, Porter, Posey, Pulaski, Scott, Spencer, Starke, Tipton, Vanderburgh, Warrick and Washington counties in Indiana, Miami, Preble, and Shelby counties in Ohio, and the San Diego Metro Region in California. The Organization is primarily supported through federal and state government grants.

In June 2007, the Organization formed JobWorks Education & Training Systems, LLC (“JETS”) for the purpose of providing training, event planning, and technical assistance services. This subsidiary was established as a single-member limited liability company under the laws of the State of Indiana and is 100% owned by the Organization. During the years ended June 30, 2021 and 2020, no activity was incurred by this subsidiary.

Effective for the year ended December 31, 2007, JETS has elected to be treated as a limited liability company for income tax purposes and, accordingly, is not responsible for payment of federal income taxes, which is the responsibility of the sole limited liability company member, JobWorks, Inc. As a limited liability company, the subsidiary must report on a calendar year basis for tax purposes. As of June 30, 2007, its mission was considered to be related to the employment and training mission of JobWorks, Inc. and therefore, no provision for unrelated business income tax has been made for federal income taxes. In addition, as of June 30, 2021 and 2020, no revenue had been earned or expenses incurred by JETS.

**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.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**FINANCIAL STATEMENT PRESENTATION**

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

For the years ended June 30, 2021 and 2020, the Organization had no net assets with donor restrictions or board designated net assets.

**REVENUE RECOGNITION**

The Organization receives grants from the States of Indiana, Ohio, California and other sources to carry out certain program activities. The conditional grants are received under contracts which require the Organization to submit to the funding sources appropriate records of services provided to eligible individuals and/or allowable expenses incurred. As a sub-provider or as a contractor, JobWorks recognizes revenue as allowable expenses are incurred.

The Organization reports grants and contributions 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 consolidated statements of activities as net assets released from restrictions. However, grants and contributions received with donor-imposed restrictions in which restrictions are satisfied in the same reporting period received are reported as net assets without donor restrictions.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**REVENUE RECOGNITION (continued)**

In addition, JobWorks Education & Training Systems has contracts with customers to provide licenses and on-line training classes. Revenue generated through licenses is considered earned at the point of purchase. Fees from training courses are considered earned ratably over the term of the respective training sessions as performance obligations are met. Fees received prior to the end of training sessions are prorated, and amounts considered unearned are recorded as deferred revenue.

**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.

**GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE**

The grants receivable represent amounts the Organization has filed claims for the year ended and were awaiting payment. A substantial majority of receivables are due from government sources. The amount deemed uncollectible is zero. Therefore, no bad debt allowance is considered necessary.

Accounts receivable are amounts due from various one-stop partners and other customers. Based on collection history, amounts have been deemed as fully collectible and no allowance for uncollectible accounts has been recorded.

**PROPERTY AND EQUIPMENT**

Corporate funded property and equipment costing \$5,000 or more are stated at cost. Donated property and equipment are recorded at fair market value at the time of donation. Expenditures for repairs and maintenance are generally expensed in the period incurred. Expenditures for renewals and improvements are generally capitalized. Depreciation expense is calculated using the straight-line method over estimated useful lives of five years for vehicles, and three to ten years for furniture and equipment. Depreciation expense on corporate owned property and equipment totaled \$-0- and \$404 for the years ended June 30, 2021 and 2020, respectively. The Subsidiaries owned no fixed assets during the years ended June 30, 2021 and 2020.

In addition, the Organization maintains property which was purchased with funds provided by the State of Indiana and therefore is owned by the State. These State funded assets are not presented in the Organization's financial statements.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**PROPERTY AND EQUIPMENT (continued)**

When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Disposition of equipment purchased with the use of various grant funds may be restricted.

**EXPENSE ALLOCATION**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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. Cost allocation methods are as follows:

Administrative cost pool

Agency administrative costs are allocated based on a two-step process involving administrative staff time in each region and direct staff time.

Program cost pool

Program costs are allocated based on a one-step process involving direct staff time.

Other joint costs

Other joint costs are charged to agency programs based on the amounts used by each program or other appropriate methodology.

**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.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**INCOME TAX STATUS**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, it qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Effective July 1, 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. With a few exceptions, the Organization is generally no longer subject to examination by tax authorities for fiscal years before June 30, 2018.

Income tax expense for the Subsidiary will include federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. No such differences existed as of June 30, 2021 and 2020. For the years ended June 30, 2021 and 2020, there were no provisions for income taxes due to the lack of activity in the Subsidiary.

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

The FASB Accounting Standards Codification Topic, “*Fair Value Measurement*”, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments held by the Organization are considered level 1 and are traded in active exchange markets, such as the New York Stock Exchange.

**RECLASSIFICATIONS**

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

**SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 16, 2021 which is the date the financial statements were available to be issued.

**NOTE 2 – CONCENTRATION OF RISK**

The Organization maintains its cash balance at a bank. The account at the institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, bank balances in excess of FDIC coverage in place for those years were \$479,991 and \$1,195,743, respectively.

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 3 – GRANTS RECEIVABLE**

Grants receivable consisted of the following:

As of June 30:	<u>2021</u>	<u>2020</u>
Government sources	\$ 1,458,849	\$ 785,518
Fee for service	145,400	522,903
	<u>\$ 1,604,249</u>	<u>\$ 1,308,421</u>

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 – INVESTMENTS**

Investments consist of corporate stocks and mutual funds and are stated at fair value based on quoted prices in active markets. Investments are measured at fair value using Level 1 inputs and are summarized as follows at June 30, 2021 and 2020:

	Cost or Original Donated <u>Value</u>	Fair Value	Cumulative Unrealized Gain (loss)
As of June 30, 2021:			
Stocks and mutual funds	<u>\$ 117,779</u>	<u>\$ 181,568</u>	<u>\$ 63,789</u>
As of June 30, 2020:			
Stocks and mutual funds	<u>\$ 112,725</u>	<u>\$ 131,205</u>	<u>\$ 18,480</u>

The cumulative appreciation since the inception of these investments was \$63,789 and \$18,480 for the years ended June 30, 2021 and 2020. The net unrealized gain (loss) for the one year period ended June 30, 2021 and 2020 was \$45,309 and \$(1,371), respectively. These net unrealized gains and losses are included in the investment income on the statements of activities.

**NOTE 5 – LINE OF CREDIT – BANK**

The Organization at June 30, 2021 and 2020, has available a secure line of credit with Old National Bank. For the years ended June 30, 2021 and 2020, the line of credit limit was \$950,000. The line of credit had no outstanding balance at June 30, 2021 and 2020. Interest is equal to the banks' prime rate and matures June 2022. The line of credit is secured by all assets of the Organization.

**NOTE 6 – LONG-TERM DEBT**

The Organization issued a promissory note in the amount of \$1,573,900 to Old National Bank through the SBA PPP program dated April 28, 2020. Maturity date April 28, 2022. Beginning November 28, 2020, the Organization will make principal and interest payments of \$87,574 at an interest rate 1.00%. Under the terms of the note, a portion of the loan used for specified purposes may be forgiven prior to commencement of payments. On November 16, 2020, the Organization received notification from the SBA that the \$1,573,900 principal balance and accrued interest of \$8,667 was forgiven.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 7 – OPERATING LEASES**

JobWorks, Inc. leases various facilities and for use in the operation of its programs. Lease expense for the year ended June 30, 2021 and 2020 was \$112,436 and \$244,081, respectively. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2021 are as follows:

2022	\$	151,686
2023		153,145
2024		21,240
2025		2,734
2026		-
Thereafter		-
		<u>          </u>
	\$	<u>328,805</u>

**NOTE 8 – RETIREMENT PLAN**

JobWorks, Inc. maintains a 401(k) Profit Sharing Plan. Employees who have completed 90 days of service and are 21 years old will become plan members the quarter following the date their service requirements have been met. For purposes of both the 401(k) plan and the profit-sharing plan, the plan entry date is the first day of the plan year or the first day of the seventh month of the plan year coinciding with, or next following the date the employee satisfied the eligibility requirements. On this entry date, the employee will be eligible to make 401(k) contributions to the safe harbor 401(k) plan. These employee contributions will be matched by JobWorks, Inc. at the rate of 100% for the first 3% of the employee contribution and at the rate of 50% of the employee contribution between 3% and 5%. These contributions will be calculated on a per pay period basis. The JobWorks, Inc. safe harbor contributions are immediately 100% vested. Employees may contribute a portion of their salary up to the annual Internal Revenue Service limit. Profit sharing contributions may be made on a discretionary basis and will be subject to a vesting schedule that covers a five-year period with vesting occurring at the rate of 20% after one year of service and 20% per year thereafter.

The employer contributions for the years ended June 30, 2021 and 2020 were \$126,041 and \$82,681, respectively.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 9 – RELATED PARTIES**

The Organization has obtained services and supplies from related parties. Of these related parties one is a company owned by a board member. During the years ended June 30, 2021 and 2020, this party was paid \$7,437 and \$6,257, respectively. All other related parties represent relatives of organization Director or Management. Total compensation paid to these parties during the years ended June 30, 2021 and 2020, was \$45,682 and \$12,800, respectively.

**NOTE 10 – INFORMATION ON LIQUIDITY**

The Organization is funded through cost reimbursable government grants pass-through various nonprofit grantors. In addition, training contracts are becoming an expanding source of revenue. The Organization financial assets consist of cash, receivables and investments. None of these assets are designated by the board of directors or restricted by donors for any purpose. As noted in Note 5, the Organization also has a \$950,000 line of credit available to meet cash needs.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

Financial assets available for cash needs for general expenditures within one year are \$2,705,027 and \$2,992,352 for the years ending June 30, 2021 and 2020, respectively.



## **Independent Auditor's Report on Supplementary Information**

Board of Directors  
JobWorks, Inc. and Subsidiaries  
Fort Wayne, Indiana

We have audited the consolidated financial statements of JobWorks, Inc. and Subsidiaries as of and for the years ended June 30, 2021 and 2020 and have issued our report thereon dated December 16, 2021, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 18 through 20) is presented for purposes of additional analysis of the consolidated financial statements and presents the activity of the two divisions of JobWorks. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with audit 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 consolidated financial statements taken as a whole.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
December 16, 2021

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULES OF DIVISIONAL FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

ASSETS	2021				2020			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
<b>CURRENT ASSETS:</b>								
Cash	\$ 561,512	\$ 63,129	\$ -	\$ 624,641	\$ 1,350,953	\$ 680	\$ -	\$ 1,351,633
Grants receivable	1,604,249	-	-	1,604,249	1,308,421	-	-	1,308,421
Accounts receivable	114,761	279,251	(99,443)	294,569	322,540	194,275	(315,722)	201,093
Prepaid expenses	145,453	-	-	145,453	140,942	-	-	140,942
Investments	181,568	-	-	181,568	131,205	-	-	131,205
Notes receivable	-	-	-	-	20,000	-	(20,000)	-
Total current assets	<u>2,607,543</u>	<u>342,380</u>	<u>(99,443)</u>	<u>2,850,480</u>	<u>3,274,061</u>	<u>194,955</u>	<u>(335,722)</u>	<u>3,133,294</u>
<b>PROPERTY AND EQUIPMENT:</b>								
Furniture and equipment	124,137	-	-	124,137	124,137	-	-	124,137
Less accumulated depreciation	(124,137)	-	-	(124,137)	(124,137)	-	-	(124,137)
Total Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,607,543</u>	<u>\$ 342,380</u>	<u>\$ (99,443)</u>	<u>\$ 2,850,480</u>	<u>\$ 3,274,061</u>	<u>\$ 194,955</u>	<u>\$ (335,722)</u>	<u>\$ 3,133,294</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 392,593	\$ 96,086	\$ (99,443)	\$ 389,236	\$ 378,760	\$ 316,636	\$ (315,722)	\$ 379,674
Accrued payroll taxes and related expenses	630,969	-	-	630,969	417,304	-	-	417,304
Deferred revenue	-	132,918	-	132,918	-	-	-	-
Notes payable	-	-	-	-	-	20,000	(20,000)	-
Total current liabilities	<u>1,023,562</u>	<u>229,004</u>	<u>(99,443)</u>	<u>1,153,123</u>	<u>796,064</u>	<u>336,636</u>	<u>(335,722)</u>	<u>796,978</u>
<b>LONG-TERM DEBT, NET OF CURRENT PORTION:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,573,900</u>	<u>-</u>	<u>-</u>	<u>1,573,900</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>1,583,981</u>	<u>113,376</u>	<u>-</u>	<u>1,697,357</u>	<u>904,097</u>	<u>(141,681)</u>	<u>-</u>	<u>762,416</u>
Total liabilities and net assets	<u>\$ 2,607,543</u>	<u>\$ 342,380</u>	<u>\$ (99,443)</u>	<u>\$ 2,850,480</u>	<u>\$ 3,274,061</u>	<u>\$ 194,955</u>	<u>\$ (335,722)</u>	<u>\$ 3,133,294</u>

See Independent Auditor's Report on Supplementary Information.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULES OF DIVISIONAL ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
<b>REVENUE AND OTHER SUPPORT</b>								
Grant revenue	\$ 10,928,287	\$ -	\$ -	\$ 10,928,287	\$ 9,831,322	\$ -	\$ -	\$ 9,831,322
Corporate revenue	-	1,210,123	-	1,210,123	-	514,852	-	514,852
Investment income	50,363	-	-	50,363	6,321	-	-	6,321
Other income	1,576,839	-	-	1,576,839	8,766	-	-	8,766
Total revenue and other support	<u>12,555,489</u>	<u>1,210,123</u>	<u>-</u>	<u>13,765,612</u>	<u>9,846,409</u>	<u>514,852</u>	<u>-</u>	<u>10,361,261</u>
<b>OPERATING EXPENSES:</b>								
Adult	1,186,877	-	-	1,186,877	1,162,371	-	-	1,162,371
Dislocated worker	1,180,748	-	-	1,180,748	561,006	-	-	561,006
Youth	2,336,022	-	-	2,336,022	2,107,281	-	-	2,107,281
Ready to Work / Workforce Ready	769,641	-	-	769,641	143,797	-	-	143,797
State JAG	1,804,635	-	-	1,804,635	1,593,658	-	-	1,593,658
Apprenticeship and H-1B Job Training	620,451	-	-	620,451	641,286	-	-	641,286
TANF JAG/Youth	431,024	-	-	431,024	607,404	-	-	607,404
Fee for service	1,754,017	-	-	1,754,017	1,708,500	-	-	1,708,500
Other	860,041	-	-	860,041	1,093,652	-	-	1,093,652
Management and general	932,149	-	-	932,149	961,364	-	-	961,364
Training Division	-	955,066	-	955,066	-	546,667	-	546,667
Total operating expenses	<u>11,875,605</u>	<u>955,066</u>	<u>-</u>	<u>12,830,671</u>	<u>10,580,319</u>	<u>546,667</u>	<u>-</u>	<u>11,126,986</u>
Increase (decrease) in unrestricted net assets	<u>679,884</u>	<u>255,057</u>	<u>-</u>	<u>934,941</u>	<u>(733,910)</u>	<u>(31,815)</u>	<u>-</u>	<u>(765,725)</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR</b>	<u>904,097</u>	<u>(141,681)</u>	<u>-</u>	<u>762,416</u>	<u>1,638,007</u>	<u>(109,866)</u>	<u>-</u>	<u>1,528,141</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR</b>	<u>\$ 1,583,981</u>	<u>\$ 113,376</u>	<u>\$ -</u>	<u>\$ 1,697,357</u>	<u>\$ 904,097</u>	<u>\$ (141,681)</u>	<u>\$ -</u>	<u>\$ 762,416</u>

See Independent Auditor's Report on Supplementary Information.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF DIVISIONAL CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	JobWorks	Training Division	Eliminations	Total	JobWorks	Training Division	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Increase (decrease) in net assets	\$ 679,884	\$ 255,057	\$ -	\$ 934,941	\$ (733,910)	\$ (31,815)	\$ -	\$ (765,725)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Depreciation	-	-	-	-	404	-	-	404
Net realized and unrealized loss (gain) on investments	(45,309)	-	-	(45,309)	1,371	-	-	1,371
Gain on forgiveness of debt	(1,573,900)	-	-	(1,573,900)	-	-	-	-
Increase (decrease) in cash from changes in:								
Grants receivable	(295,828)	-	-	(295,828)	63,388	-	-	63,388
Accounts receivable	207,779	(84,976)	(216,279)	(93,476)	(19,388)	14,127	16,839	11,578
Prepaid expenses	(4,511)	-	-	(4,511)	(5,308)	-	-	(5,308)
Accounts payable	13,833	(220,550)	216,279	9,562	24,960	16,777	(16,839)	24,898
Accrued payroll and payroll expenses	213,665	-	-	213,665	(41,710)	-	-	(41,710)
Deferred revenue	-	132,918	-	132,918	-	-	-	-
Net cash provided by (used in) operating activities	<u>(804,387)</u>	<u>82,449</u>	<u>-</u>	<u>(721,938)</u>	<u>(710,193)</u>	<u>(911)</u>	<u>-</u>	<u>(711,104)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Purchase of investments	<u>(5,054)</u>	<u>-</u>	<u>-</u>	<u>(5,054)</u>	<u>(7,692)</u>	<u>-</u>	<u>-</u>	<u>(7,692)</u>
Net cash provided by (used in) investing activities	<u>(5,054)</u>	<u>-</u>	<u>-</u>	<u>(5,054)</u>	<u>(7,692)</u>	<u>-</u>	<u>-</u>	<u>(7,692)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Proceeds on loans payable	-	-	-	-	1,573,900	-	-	1,573,900
Proceeds (payment) of notes receivable	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>1,573,900</u>	<u>-</u>	<u>-</u>	<u>1,573,900</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(789,441)</u>	<u>62,449</u>	<u>-</u>	<u>(726,992)</u>	<u>856,015</u>	<u>(911)</u>	<u>-</u>	<u>855,104</u>
<b>CASH, BEGINNING OF YEAR</b>	<u>1,350,953</u>	<u>680</u>	<u>-</u>	<u>1,351,633</u>	<u>494,938</u>	<u>1,591</u>	<u>-</u>	<u>496,529</u>
<b>CASH, END OF YEAR</b>	<u>\$ 561,512</u>	<u>\$ 63,129</u>	<u>\$ -</u>	<u>\$ 624,641</u>	<u>\$ 1,350,953</u>	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 1,351,633</u>

See Independent Auditor's Report on Supplementary Information.

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Passthrough Agency Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant or Identifying Number</b>	<b>Grant Award (in dollars \$)</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed through the Indiana Department of Workforce Development (DWD) and The Center of Workforce Innovations, Inc:				
WIOA JAG	17.259	CWI-19-36	2,705,362	\$ 558,198
WIOA Older Youth	17.259	CWI-21-42	1,175,000	774,202
WIOA Youth Summer Employment	17.259	CWI-21-59	220,000	43,013
WIOA Adult	17.258	CWI-21-46	40,000	<u>26,891</u>
				<u>1,402,304</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:				
WIOA Adult	17.258	JW-WIB-44-7-04	1,503,519	200,423
WIOA Adult - OSO	17.258	JW-WIB-44-7-04	11,395	2,662
WIOA Dislocated Worker to Adult	17.278	JW-WIB-44-7-04	500,000	178,050
WIOA Dislocated Worker	17.278	JW-WIB-44-7-04	1,362,029	224,967
WIOA Dislocated Worker - OSO	17.278	JW-WIB-44-7-04	10,417	2,277
WIOA Performance Grant	17.278	JW-WIOASP-44-9-04	104,458	104,458
WIOA Dislocated Worker - Rapid Response	17.278	JW-RRCovid-44-21-04	92,000	1,787
WIOA In School Youth	17.259	JW-WIB-44-7-04	171,449	848
WIOA In School Youth - OSO	17.259	JW-WIB-44-7-04	755	-
WIOA Out of School Youth	17.259	JW-WIB-44-2-04	1,821,060	318,848
WIOA Out of School Youth - OSO	17.259	JW-WIB-44-7-04	14,731	<u>2,271</u>
				<u>1,036,591</u>
RESEA	17.225	JW-RESEA-44-20-04	227,500	<u>215,100</u>
H-1B Job Training Grant - Rural Healthcare	17.268	JW-RHG-44-20-04	250,000	12,302
H-1B Job Training Grant - America's Promise Grant	17.268	JW-APG-44-6-04	4,657,291	<u>502,778</u>
				<u>515,080</u>
Apprenticeship USA Grants - ASE Apprenticeship	17.285	JW-ASEDRI-44-20-04	85,500	<u>49,430</u>
WIOA National Dislocated Worker Grants	17.277	JW-44-WRGCARES-20-04	278,465	<u>392</u>
				<u>1,816,593</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Passthrough Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	
<b>U.S. DEPARTMENT OF LABOR (continued)</b>				
Passed through the Indiana Department of Workforce Development (DWD) and Region 10 Workforce Investment Board, Inc.				
WIOA Adult	17.258	None	249,267	\$ 207,161
WIOA Adult OSO	17.258	None		16,256
WIOA Adult Performance	17.258	None	71,000	71,000
WIOA Dislocated Worker	17.278	None	100,733	100,733
WIOA Dislocated Worker OSO	17.278	None		8,778
WIOA Dislocated Worker - Rapid Response	17.278	None	30,000	2,000
WIOA Youth	17.259	None	220,000	181,399
WIOA Youth OSO	17.259	None		11,378
				<u>598,705</u>
RESEA	17.225	None	8,300	8,300
RESEA OSO	17.225	None		1,883
RESEA	17.225	None	163,412	102,740
				<u>112,923</u>
WIOA National Dislocated Worker Grants - Opioid	17.277	None	317,636	242,287
WIOA National DW Grants - Employment Recovery	17.277	None	543,000	4,175
WIOA National DW Grants - Disaster Relief	17.277	None	264,900	67,597
				<u>314,059</u>
Apprenticeship USA Grants - ASE Apprenticeship	17.285	None	80,000	-
Apprenticeship USA Grants - Apprenticeship Expansion	17.285	None	87,273	87,273
				<u>87,273</u>
Trade Adjustment Assistance Act	17.245	None		3,032
Wagner-Peyser Act Employment Services	17.207	None		13,840
Disabled Veterans Outreach Program	17.801	None		3,534
Local Veteran Employment Representative Program	17.804	None		2,081
				<u>19,455</u>
				<u>1,135,447</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Passthrough Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	<b></b>
<b>U.S. DEPARTMENT OF LABOR (continued)</b>				
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board, Inc.				
WIOA Adult	17.258	WDB-20-01	422,000	\$ 415,818
WIOA Adult OSO & IFA	17.258	WDB-20-01		8,672
WIOA Dislocated Worker	17.278	WDB-20-01	243,062	181,870
WIOA Dislocated Worker OSO & IFA	17.278	WDB-20-01		5,425
WIOA In School Youth	17.259	WDB-20-01	188,334	11,595
WIOA Out of School Youth	17.259	WDB-20-01	281,021	140,551
WIOA Youth OSO & IFA	17.259	WDB-20-01		4,830
WIOA Youth Performance Grant	17.259	WDB-20-01	61,935	10,339
				<u>779,100</u>
RESEA	17.225	WDB-20-04	206,625	166,843
RESEA OSO & IFA	17.225	WDB-20-01		3,581
				<u>170,424</u>
H-1B Job Training Grant - Rural Healthcare	17.268	WDB HC 20-23	237,500	2,808
WIOA National Dislocated Worker Grants	17.277	WDB-20-02	177,750	114,724
WIOA National Dislocated Worker Grants	17.277	WDB-ER-20-21	585,025	87,997
				<u>202,721</u>
Wagner-Peyser Act Employment Services	17.207	WDB-20-01		21,131
Wagner-Peyser Act Employment Services	17.207	WDB-20-01		3,102
Disabled Veterans Outreach Program	17.801	WDB-20-01		1,916
Local Veteran Employment Representative Program	17.804	WDB-20-01		1,415
				<u>27,564</u>
Trade Adjustment Assistance Act	17.245	WDB-20-01		1,426
				<u>1,184,043</u>
Passed through Indianapolis Private Industry Council, Inc. d/b/a EmployIndy				
WIOA National Dislocated Worker Grants	17.277	S1001-ERC-20-WOI	278,042	117,277

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Passthrough Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	
<b>U.S. DEPARTMENT OF LABOR (continued)</b>				
Passed through the Ohio Department of Jobs and Family Services and the Miami County Commissioners:				
Ohio Area 7 - Miami County WIOA ISY	17.259	None	5,692	\$ 5,379
Ohio Area 7 - Miami County WIOA OSY	17.259	None	66,308	<u>64,142</u>
				<u>69,521</u>
Passed through the Ohio Department of Jobs and Family Services and the Preble County Commissioners:				
Ohio Area 7 - Preble County WIOA ISY	17.259	None	525	109
Ohio Area 7 - Preble County WIOA OSY	17.259	None	69,887	<u>57,643</u>
				<u>57,752</u>
Passed through the Ohio Department of Jobs and Family Services and the Shelby County Commissioners:				
Ohio Area 7 - Shelby County WIOA OSY	17.259	None	45,000	<u>28,374</u>
				<u>28,374</u>
Total WIOA cluster				<u>3,972,347</u>
Total Expenditures U.S. Department of Labor				<u>\$ 5,811,311</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Passthrough Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	<b></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through the Indiana Department of Workforce Development (DWD) and The Center of Workforce Innovations, Inc:				
TANF JAG - JAGT501	93.558	CWI-21-43	155,411	\$ 155,411
Passed through the Indiana Department of Workforce Development (DWD) and the Region 10 Workforce Board:				
TANF JAG	93.558	None	74,000	<u>74,000</u>
Passed through the Ohio Department of Jobs and Family Services and the Miami County Commissioners:				
Ohio Area 7 - Miami County CCMEP TANF	93.558	None	100,000	<u>88,615</u>
Passed through the Ohio Department of Jobs and Family Services and the Preble County Commissioners:				
Ohio Area 7 - Preble County-Summer TANF	93.558	None	28,699	6,650
Ohio Area 7 - Preble County-CCMEP TANF	93.558	None	150,000	<u>98,633</u>
				105,283
Passed through the Ohio Department of Jobs and Family Services and the Shelby County Commissioners:				
Ohio Area 7 - Shelby County-CCMEP TANF	93.558	None	55,000	<u>45,596</u>
Total Expenditures U.S. Department of Health and Human Services				<u>\$ 468,905</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Passthrough Agency</b>	<b>CFDA</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Number</b>	<b>Number</b>	<b>(in dollars \$)</b>	<b></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed through the Indiana Department of Workforce Development and The Center of Workforce Innovations, Inc.				
Rehabilitation Services Vocational Rehabilitation	84.126A	CWI-21-60	57,600	5,562
Rehabilitation Services Vocational Rehabilitation	84.126A	CWI-21-44	38,044	<u>38,044</u>
				43,606
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:				
Rehabilitation Services Vocational Rehabilitation	84.126A	JW-Pre-ETS 44-20-04	115,200	<u>58,063</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Region 10 Workforce Board:				
Rehabilitation Services Vocational Rehabilitation	84.126A	None	57,600	24,013
Rehabilitation Services Vocational Rehabilitation OSO & IFA	84.126A	None		114
Rehabilitation Services Vocational Rehabilitation	84.126A	None	76,800	<u>22,863</u>
				<u>46,990</u>
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board:				
Rehabilitation Services Vocational Rehabilitation OSO & IFA	84.126A	WDB-20-01		4
Rehabilitation Services Vocational Rehabilitation	84.126A	WDB-20-24	163,200	<u>77,606</u>
				<u>77,610</u>
Total Expenditures U.S. Department of Education				<u>\$ 226,269</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:				
Coronavirus Relief Fund	21.019	JW-44-WRGCARES-20-04	271,800	<u>76,334</u>
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board:				
Coronavirus Relief Fund	21.019	WDB-20-22	128,216	<u>73,277</u>
Total Expenditures U.S. Department of Treasury				<u>\$ 149,611</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 6,656,096</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**JOBWORKS, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of JobWorks, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

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

**Note 3 – Indirect Cost Rate**

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

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Passthrough Agency Program Title</b>	<b>Grant or Identifying Number</b>	<b>Grant Award (in dollars \$)</b>	<b>Expenditures</b>
Passed through the Indiana Department of Workforce Development (DWD) and The Center of Workforce Innovations, Inc:			
SJAG	CWI-19-36	350,000	\$ 222,539
SJAG	CWI-21-58	329,544	176,681
MIS Support	None	66,753	<u>66,753</u>
			<u>465,973</u>
Passed through the Indiana Department of Workforce Development (DWD) and the Tecumseh Area Partnership:			
State JAG	Jobworks-JAG-44-9-04	414,852	233,957
State JAG	Jobworks-JAG-44-20-04	237,000	203,272
Jobs for Hoosiers	JW-JFH-44-9-04	11,400	<u>1,576</u>
			<u>438,805</u>
Passed through the Indiana Department of Workforce Development (DWD) and Region 10 Workforce Investment Board, Inc.			
State JAG	None	234,468	119,184
State JAG	None	137,000	137,000
JAG Strada	None	93,250	57,475
Jobs for Hoosiers	None	6,000	1,530
Workforce Ready	None	544,300	502,374
Workforce Ready	None	160,000	107,597
Workforce Ready	None	22,308	<u>20,306</u>
			<u>945,466</u>
Passed through the Indiana Department of Workforce Development (DWD) and Grow Southwest Indiana Workforce Board, Inc.			
State JAG	WDB-20-03	378,152	197,583
State JAG-carry-in	WDB-19-03	438,916	184,309
JAG Strada	WDB-19-06	118,750	69,079
Jobs for Hoosiers	WDB-19-15	7,600	<u>6,110</u>
			<u>457,081</u>
			<u>\$ 2,307,325</u>

**JOBWORKS, INC. AND SUBSIDIARIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2020.

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

There were no federal award findings for the year ended June 30, 2020.



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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  
JobWorks, Inc. and Subsidiaries,

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 JobWorks, Inc. and Subsidiaries (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered JobWorks, Inc. and Subsidiaries' 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 JobWorks, Inc. and Subsidiaries' 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 JobWorks, Inc. financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
December 16, 2021



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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  
JobWorks, Inc. and Subsidiaries

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

We have audited JobWorks, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of JobWorks, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2021. JobWorks, Inc. and Subsidiaries' 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 JobWorks, Inc. and Subsidiaries' 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 the 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 JobWorks, Inc. and Subsidiaries' 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 JobWorks, Inc. and Subsidiaries' compliance.

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

In our opinion, JobWorks, Inc. and Subsidiaries 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, 2021.

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

Management of JobWorks, Inc. and Subsidiaries 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 JobWorks, Inc. and Subsidiaries' 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 JobWorks, Inc. and Subsidiaries' internal control over compliance.

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

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

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

***Comer, Nowling And Associates, P.C.***

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 16, 2021

**JOBWORKS, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**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 - 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
17.277	U.S. Dept. of Labor – Unemployment Insurance

\*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

**JOBWORKS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2021.

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

There were no federal award findings for the year ended June 30, 2021.