



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 24, 2023

Board of Directors
Alliance for Strategic Growth, Inc.
3301 W Purdue Avenue
Muncie, IN 47304

We have reviewed the audit report of Alliance for Strategic Growth, Inc. which was opined upon by Wipfli LLP, 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 Alliance for Strategic Growth, 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, 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Alliance for Strategic Growth, Inc.

Muncie, Indiana

Financial Statements and
Supplementary Information

Years Ended June 30, 2021 and 2020



Alliance for Strategic Growth, Inc.

Financial Statements and Supplementary Information
Years Ended June 30, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Alliance for Strategic Growth, Inc.
Muncie, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Alliance for Strategic Growth, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 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 Alliance for Strategic Growth, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audits were 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 February 22, 2022, on our consideration of Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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 Alliance for Strategic Growth, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

February 22, 2022
Madison, Wisconsin

Alliance for Strategic Growth, Inc.

Statements of Financial Position June 30, 2021 and 2020

	<i>Assets</i>	2021	2020
Current assets:			
Cash and cash equivalents		\$ 339,080	\$ 435,589
Grants receivable		510,427	356,024
Accounts receivable		0	1,695
Prepaid expenses		48,189	51,282
		<hr/>	<hr/>
Total current assets		897,696	844,590
Other assets:			
Beneficial interest in assets held by another		11,583	9,861
		<hr/>	<hr/>
TOTAL ASSETS		\$ 909,279	\$ 854,451
<hr/>			
<i>Liabilities and Net Assets</i>			
<hr/>			
Current liabilities:			
Accounts payable		\$ 573,916	\$ 420,525
Accrued payroll and related expenses		62,802	63,688
Refundable advance liability		25,147	123,001
		<hr/>	<hr/>
Total current liabilities		661,865	607,214
Net assets:			
Without donor restrictions		232,244	234,089
With donor restrictions		15,170	13,148
		<hr/>	<hr/>
Total net assets		247,414	247,237
		<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS		\$ 909,279	\$ 854,451

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Statements of Activities

Years Ended June 30, 2021 and 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 3,408,550	\$ 0	\$ 3,408,550
Other revenue	10,381	2,022	12,403
Total revenue	3,418,931	2,022	3,420,953
Expenses:			
Program activities:			
WIOA adult	697,308	0	697,308
WIOA youth	471,238	0	471,238
WIOA dislocated worker	892,899	0	892,899
Job's for America's Graduates	483,075	0	483,075
Wagner Peyser	117,126	0	117,126
Unemployment insurance	177,574	0	177,574
Other program activities	199,959	0	199,959
Total program expenses	3,039,179	0	3,039,179
Management and general	381,597	0	381,597
Total expenses	3,420,776	0	3,420,776
Change in net assets	(1,845)	2,022	177
Net assets at beginning of year	234,089	13,148	247,237
Net assets at end of year	\$ 232,244	\$ 15,170	\$ 247,414

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Statements of Activities (Continued)

Years Ended June 30, 2021 and 2020

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 3,233,818	\$ 0	\$ 3,233,818
Other revenue	2,880	112	2,992
Total revenue	3,236,698	112	3,236,810
Expenses:			
Program activities:			
WIOA adult	717,531	0	717,531
WIOA youth	510,168	0	510,168
WIOA dislocated worker	578,403	0	578,403
Job's for America's Graduates	616,088	0	616,088
Wagner Peysner	57,322	0	57,322
Unemployment insurance	267,560	0	267,560
Other program activities	93,132	0	93,132
Total program expenses	2,840,204	0	2,840,204
Management and general	397,029	0	397,029
Total expenses	3,237,233	0	3,237,233
Change in net assets	(535)	112	(423)
Net assets at beginning of year	234,624	13,036	247,660
Net assets at end of year	\$ 234,089	\$ 13,148	\$ 247,237

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Statements of Functional Expenses Years Ended June 30, 2021 and 2020

	2021		
	Program Services	Management & General	Total
Expenses:			
Salaries, wages and employee benefits	\$ 706,452	\$ 256,572	\$ 963,024
Training and travel	3,521	127	3,648
Occupancy	125,366	49,339	174,705
Communications	18,976	3,234	22,210
Insurance	0	15,827	15,827
Supplies	30,882	193	31,075
Professional services	162,831	45,616	208,447
Dues and subscriptions	11,278	0	11,278
Miscellaneous	1,803	10,689	12,492
Subcontractor	1,978,070	0	1,978,070
Total expenses	\$ 3,039,179	\$ 381,597	\$ 3,420,776

	2020		
	Program Services	Management & General	Total
Expenses:			
Salaries, wages and employee benefits	\$ 545,507	\$ 263,027	\$ 808,534
Training and travel	8,595	145	8,740
Occupancy	93,794	30,295	124,089
Communications	25,301	1,261	26,562
Insurance	0	13,876	13,876
Supplies	65,016	899	65,915
Professional services	186,528	75,704	262,232
Dues and subscriptions	18,328	1,027	19,355
Miscellaneous	1,361	10,795	12,156
Subcontractor	1,895,774	0	1,895,774
Total expenses	\$ 2,840,204	\$ 397,029	\$ 3,237,233

Alliance for Strategic Growth, Inc.

Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 177	(\$ 423)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in beneficial interest in assets held by another	(1,722)	188
Changes in operating assets and liabilities:		
Grants receivable	(154,403)	53,931
Accounts receivable	1,695	3,252
Prepaid expenses	3,093	6,572
Accounts payable	153,391	170,914
Accrued payroll and related expenses	(886)	17,846
Refundable advance liability	(97,854)	(64,388)
Net cash (used in) provided by operating activities	(96,509)	187,892
Changes in cash and cash equivalents	(96,509)	187,892
Cash and cash equivalents at beginning of year	435,589	247,697
Cash and cash equivalents at end of year	\$ 339,080	\$ 435,589

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Alliance for Strategic Growth, Inc. (ASG) was organized as a nonprofit corporation on July 30, 2002. ASG was formed to seek, plan, manage and assure the provisions of workforce investment activities, through state-wide and local workforce investment systems that increase the employment, retention, and earnings of participants, and increase occupational skill obtainment by customers, and as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of customers. Currently the corporation oversees Workforce Development Services provided in the nine-county area of Blackford, Delaware, Henry, Jay, Randolph, Wayne, Rush, Fayette, and Union counties in Indiana. Approximately 99% of the total revenue is federal pass-through funding or state funding received from the State of Indiana, Department of Workforce Development for the years ending June 30, 2021 and 2020.

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 ASG 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.

Cash and Cash Equivalents

ASG considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

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.

ASG'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 ASG's financial statements since this property is owned by the State of Indiana or the Federal government.

Income Taxes

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

ASG 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. ASG has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

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 on the statements of activities. The statements of functional expenses present 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. ASG allocates its portion of the shared costs per its cost allocation plan. For June 30, 2021 and 2020, the partners included in the IFA paid \$85,200 and \$123,205, 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.

Recently Adopted Accounting Pronouncement

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces previous revenue recognition requirements and most industry-specific guidance. ASG has adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as of July 1, 2020. Management has adopted the guidance on a modified retrospective basis and analysis of various provisions of this standard resulted in no significant changes in the way ASG recognizes revenue. There was no cumulative effect on beginning net assets of applying the new standard and its amendments for the year ended June 30, 2020.

Upcoming Accounting Pronouncement

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, 2021, with early adoption permitted. ASG is currently evaluating the effects of this ASU.

Subsequent Event

Subsequent events have been evaluated through February 22, 2022, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

ASG 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.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

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, are comprised of the following as of June 30:

	2021	2020
Cash and cash equivalents	\$ 339,080	\$ 435,589
Grants receivable	510,427	356,024
Accounts receivable	0	1,695
Subtotal financial assets	849,507	793,308
Less: accounts payable restricted for grant expenditures	573,916	420,525
Less: accrued payroll and related expenses	62,802	63,688
Less: refundable advance liability	25,147	123,001
Less: cash and cash equivalents included in net assets with donor restrictions	3,587	3,287
Total	\$ 184,055	\$ 182,807

ASG does not have a formal liquidity policy. ASG 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. ASG has grant commitments for future expenses of approximately \$1,880,000 at June 30, 2021.

Note 4: Grants Receivable

Grants receivable at June 30, 2021 and 2020, consist of \$510,427 and \$356,024 due from the Indiana Department of Workforce Development.

Note 5: Beneficial Interest in Assets Held by Another/Net Assets With Donor Restrictions

Beneficial interest in assets held by another represents amounts held by the Blackford County Community Foundation (BCCF). BCCF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to preserve the purchasing power of the endowment assets. Endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation, and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles and to ensure that any risk assumed is commensurate with the given investment vehicles and ASG's objectives.

Changes in the fair value of funds held by BCCF are classified as net assets with donor restrictions. Changes in the endowment fund were as follows:

	2021	2020
Balance at beginning	\$ 9,861	\$ 10,049
Investment earnings	2,022	112
Distributions	(300)	(300)
Balance at end	\$ 11,583	\$ 9,861

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 5: Beneficial Interest in Assets Held by Another/Net Assets With Donor Restrictions (Continued)

Distributions to ASG are to be used for the purpose of helping displaced workers living in Blackford County; therefore, unspent distributions received by ASG totaling \$3,587 and \$3,287 as of June 30, 2021 and 2020, are reported as net assets with donor restrictions until spent.

Note 6: Fair Value Measurements

Financial accounting standards related to fair value measurements describe a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, ASG measures fair values determined by Level 1 inputs utilizing quoted market prices in active markets and fair values determined by Level 2 inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs utilize market value of the underlying assets, consisting mainly of securities which are valued based on quoted market prices, based on recent trading activity and other observable market data.

Information regarding the fair value measurements of assets measured on a recurring basis as of June 30, is as follows:

	2021			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Investments at Blackford County Community Foundation	\$ 0	\$ 0	\$ 11,583	\$ 11,583

	2020			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Investments at Blackford County Community Foundation	\$ 0	\$ 0	\$ 9,861	\$ 9,861

Investments with Blackford County Community Foundation are valued based upon ASG's allocable share in the market value of the underlying investments made by the Foundation as reported to the Foundation by a third-party trustee from published market quotes. The information used to record the fair value of these investments is provided by the Foundation and are considered to be significant unobservable inputs that are not verified by management. See Note 5 for detail of the changes in the Level 3 fair value measurements. There were no assets or liabilities measured on a non-recurring basis during 2021 or 2020.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 7: Operating Leases

ASG leases certain buildings and equipment under several operating leases. Total lease expense for ASG, net of amounts received under the IFA, for the years ended June 30, 2021 and 2020, was \$159,053 and \$123,087.

Future minimum lease payments, which are not reduced for future amounts to be received under the IFA, are as follows:

2022	\$ 197,887
2023	153,936
2024	77,963
2025	39,600
<u>Total</u>	<u>\$ 469,386</u>

Note 8: Retirement Plan

ASG has established a retirement plan authorized under Section 403(b) of the Internal Revenue Code that covers all regular employees. The Board of Directors determines the annual contribution, which was 7.5% of eligible wages for the years ended June 30, 2021 and 2020. The total retirement plan expense for the years ended June 30, 2021 and 2020, was \$41,324 and \$36,134.

Note 9: Grant Awards

As of June 30, 2021, ASG had commitments for future funding under various grant awards of approximately \$1,880,000. 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. As of June 30, 2021, ASG had commitments to its subcontractor of approximately \$840,000.

Note 10: Related Party

A member of the Board of Directors is employed by the Indiana Department of Workforce Development that is the primary funding source for ASG.

Supplementary Information

Alliance for Strategic Growth, Inc.

Schedule A

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended June 30, 2021

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF LABOR						
WIOA Cluster						
17.258	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	0	\$ 48,746
17.258	WIOA2006	WIOA Adult	IN Dept. of Workforce Development	07/01/20-06/30/22	9,658	306,967
17.258	WIOA906	WIOA Adult	IN Dept. of Workforce Development	07/01/19-06/30/21	376,738	406,504
Total Federal Expenditures AL #17.258					386,396	762,217
17.259	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	9,644	57,322
17.259	WIOA2006	WIOA Youth	IN Dept. of Workforce Development	07/01/20-06/30/22	100,000	227,432
17.259	WIOA906	WIOA Administration	IN Dept. of Workforce Development	07/01/19-06/30/21	0	2,240
17.259	WIOA906	WIOA Youth	IN Dept. of Workforce Development	07/01/19-06/30/21	232,478	254,729
Total Federal Expenditures AL #17.259					342,122	541,723
17.278	WIOA2006	WIOA Administration	IN Dept. of Workforce Development	07/01/20-06/30/22	0	60,199
17.278	WIOA2006	WIOA Dislocated Worker	IN Dept. of Workforce Development	07/01/20-06/30/22	9,678	45,923
17.278	WIOA906	WIOA Administration	IN Dept. of Workforce Development	07/01/19-06/30/21	0	216
17.278	WIOA906	WIOA Dislocated Worker	IN Dept. of Workforce Development	07/01/19-06/30/21	100,729	231,126
17.278	RRCOVID2106	COVID-19 Rapid Response	IN Dept. of Workforce Development	04/01/21-03/31/22	0	3,814
17.278	RRCOVID2006	COVID-19 Rapid Response	IN Dept. of Workforce Development	03/23/20-03/31/21	65,800	72,035
Total Federal Expenditures AL #17.278					176,207	413,313
Total Federal Expenditures WIOA Cluster AL #17.258, #17.259, #17.278					904,725	1,717,253
Employment Service Cluster						
17.207	BC2006	Wagner Peysner	IN Dept. of Workforce Development	07/01/20-12/31/21	44,841	119,841
Total Federal Expenditures Employment Service Cluster AL #17.207					44,841	119,841
17.225	RESEA2106	Unemployment Insurance Administration	IN Dept. of Workforce Development	01/01/21-09/30/22	0	5,700
17.225	RESEA2006	Unemployment Insurance Administration	IN Dept. of Workforce Development	01/01/20-08/15/21	0	11,351
17.225	RESEA2006	Unemployment Insurance	IN Dept. of Workforce Development	01/01/20-08/15/21	129,564	166,025
17.225	UICOVID2006	COVID-19 Unemployment Insurance	IN Dept. of Workforce Development	03/23/20-03/31/21	0	15,665
Total Federal Expenditures AL #17.225					129,564	198,741

Alliance for Strategic Growth, Inc.

Schedule A (Continued)

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

Year Ended June 30, 2021

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF LABOR (Continued)						
17.277	DRCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants Administration	IN Dept. of Workforce Development	06/01/20-02/16/22	0	26,115
17.277	DRCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	06/01/20-02/16/22	161,400	199,992
17.277	ERCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants Administration	IN Dept. of Workforce Development	09/04/20-05/15/22	0	32,586
17.277	ERCOVID2006	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	09/04/20-05/15/22	167,585	204,894
17.277	DWOP906	COVID-19 Dislocated Worker / National Emergency Grants Administration	IN Dept. of Workforce Development	07/01/19-05/31/21	0	22,853
17.277	DWOP906	COVID-19 Dislocated Worker / National Emergency Grants	IN Dept. of Workforce Development	07/01/19-05/31/21	103,644	155,812
Total Federal Expenditures AL #17.277					432,629	642,252
17.285	ASEDRI2006	Apprenticeship	IN Dept. of Workforce Development	07/01/19-05/15/22	0	399
DEPARTMENT OF LABOR TOTAL					1,511,759	2,678,486
DEPARTMENT OF THE TREASURY						
21.019	WRGCARES2106	COVID-19 Coronavirus Relief Fund Administration	IN Dept. of Workforce Development	09/30/21-12/31/21	0	60
21.019	WRGCARES2106	COVID-19 Coronavirus Relief Fund	IN Dept. of Workforce Development	09/30/21-12/31/21	8,652	8,652
21.019	WRGCARES2006	COVID-19 Coronavirus Relief Fund Administration	IN Dept. of Workforce Development	03/01/20-12/30/20	0	3,628
21.019	WRGCARES2006	COVID-19 Coronavirus Relief Fund	IN Dept. of Workforce Development	03/01/20-12/30/20	36,519	36,519
21.019	ETGCARES2006	COVID-19 Coronavirus Relief Fund	IN Dept. of Workforce Development	03/01/20-12/30/20	0	33,300
DEPARTMENT OF THE TREASURY TOTAL					45,171	82,159
DEPARTMENT OF EDUCATION						
84.126A	Pre-ETS2006	Rehabilitation Services Vocational Rehabilitation	IN Dept. of Workforce Development	10/01/20-06/30/21	41,100	41,100
DEPARTMENT OF EDUCATION TOTAL					41,100	41,100
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
93.558	JAGT2006	Job's for America's Graduates	IN Dept. of Workforce Development	10/01/20-09/30/21	50,000	63,453
93.558	JAGT906	Job's for America's Graduates	IN Dept. of Workforce Development	10/01/19-09/30/20	20,687	34,369
Total Federal Expenditures AL #93.558					70,687	97,822
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL					70,687	97,822
Total Federal Expenditures					\$ 1,668,717	\$ 2,899,567

Alliance for Strategic Growth, Inc.

Schedule A (Continued)

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

Year Ended June 30, 2021

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
STATE AND LOCAL PROGRAMS						
N/A	JAG2006	Job's for America's Graduates - State Funds - Administration	IN Dept. of Workforce Development	07/01/20-12/31/21	0	31,097
N/A	JAG2006	Job's for America's Graduates - State Funds	IN Dept. of Workforce Development	07/01/20-12/31/21	56,966	184,732
N/A	JAG906	Job's for America's Graduates - State Funds - Administration	IN Dept. of Workforce Development	07/01/19-12/31/20	0	1,040
N/A	JAG906	Job's for America's Graduates - State Funds	IN Dept. of Workforce Development	07/01/19-12/31/20	200,000	211,718
N/A	WIOASP906	Governor's Reserve - Administration	IN Dept. of Workforce Development	10/01/19-05/15/21	0	7,906
N/A	WIOASP906	Governor's Reserve	IN Dept. of Workforce Development	10/01/19-05/15/21	52,387	59,248
N/A	JFH806	Jobs for Hoosiers - Administration	IN Dept. of Workforce Development	01/01/20-06/30/21	0	92
N/A	JFH806	Jobs for Hoosiers	IN Dept. of Workforce Development	01/01/20-06/30/21	0	6,650
N/A	GRWR006	Grant Writer	IN Dept. of Workforce Development	04/01/20-02/31/21	0	6,500
N/A	DCCF	Delaware County Community Foundation	Delaware County Community Foundation	07/01/20-06/30/21	0	12,000
N/A	N/A	General Fund	Unrestricted Funds	07/01/19-06/30/20	0	226
Total State and Local Expenditures					\$ 309,353	\$ 521,209
Total Expenditures					\$ 1,978,070	\$ 3,420,776

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 award activity of Alliance for Strategic Growth, Inc. under programs of the federal government for the year ended June 30, 2021. 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 Alliance for Strategic Growth, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Alliance for Strategic Growth, 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

Alliance for Strategic Growth, 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
Alliance for Strategic Growth, Inc.
Muncie, Indiana

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 Alliance for Strategic Growth, Inc. 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 February 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alliance for Strategic Growth, 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 Alliance for Strategic Growth, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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.

Wipfli LLP

Wipfli LLP

February 22, 2022
Madison, Wisconsin

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance

Board of Directors
Alliance for Strategic Growth, Inc.
Muncie, Indiana

Report on Compliance for the Major Federal Program

We have audited Alliance for Strategic Growth, 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, 2021. Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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 Alliance for Strategic Growth, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, Alliance for Strategic Growth, 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, 2021.

Report on Internal Control Over Compliance

Management of Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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 Alliance for Strategic Growth, 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.

Wipfli LLP

Wipfli LLP

February 22, 2022
Madison, Wisconsin

Alliance for Strategic Growth, Inc.

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 weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal program: Material weaknesses identified?	No
Significant deficiencies identified?	None reported

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>AL 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
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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