



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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February 8, 2023

Board of Directors
Region 10 Workforce Investment Board, Inc.
PO Box 6712
New Albany, IN 46150

We have reviewed the audit report of Region 10 Workforce Investment Board, Inc., which was opined upon by Comer, Nowling and Associates, PC, 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 Region 10 Workforce Investment Board, 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, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**Region 10 Workforce
Investment Board, Inc.**



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

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Certified Public Accountants

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Region 10 Workforce Investment Board, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Region 10 Workforce Investment Board, Inc. (a nonprofit organization), 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Region 10 Workforce Investment Board, 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 of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of Region 10 Workforce Investment Board, Inc. as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2022 on our consideration of Region 10 Workforce Investment Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
February 8, 2022

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS		2021	2020
		<u> </u>	<u> </u>
CURRENT ASSETS:			
Cash		\$ 168,334	\$ 81,913
Accounts receivable		323,966	183,130
Prepaid expenses		32,177	30,777
Deposit		11,950	11,950
	Total current assets	<u>536,427</u>	<u>307,770</u>
	Total assets	<u><u>\$ 536,427</u></u>	<u><u>\$ 307,770</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable		\$ 9,201	\$ 117,907
Accrued expenses		225,358	28,704
	Total current liabilities	<u>234,559</u>	<u>146,611</u>
NET ASSETS:			
Without donor restrictions		77,365	77,748
With donor restrictions		224,503	83,411
	Total net assets	<u>301,868</u>	<u>161,159</u>
	Total liabilities and net assets	<u><u>\$ 536,427</u></u>	<u><u>\$ 307,770</u></u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Federal grant revenue	\$ 2,992,815	\$ -	\$ 2,992,815	\$ 1,984,949	\$ -	\$ 1,984,949
Other grant revenue	370,013	165,000	535,013	225,804	20,000	245,804
Miscellaneous income	8	-	8	16	-	16
Total revenue and support	<u>3,362,836</u>	<u>165,000</u>	<u>3,527,836</u>	<u>2,210,769</u>	<u>20,000</u>	<u>2,230,769</u>
Net assets released from restrictions	<u>23,908</u>	<u>(23,908)</u>	<u>-</u>	<u>17,309</u>	<u>(17,309)</u>	<u>-</u>
Total revenue, support and net assets released from restrictions	<u>3,386,744</u>	<u>141,092</u>	<u>3,527,836</u>	<u>2,228,078</u>	<u>2,691</u>	<u>2,230,769</u>
EXPENSES						
Program activities	3,096,738	-	3,096,738	2,100,348	-	2,100,348
Management and general	290,389	-	290,389	128,730	-	128,730
Total expenses	<u>3,387,127</u>	<u>-</u>	<u>3,387,127</u>	<u>2,229,078</u>	<u>-</u>	<u>2,229,078</u>
CHANGE IN NET ASSETS	<u>(383)</u>	<u>141,092</u>	<u>140,709</u>	<u>(1,000)</u>	<u>2,691</u>	<u>1,691</u>
NET ASSETS, BEGINNING OF YEAR	<u>77,748</u>	<u>83,411</u>	<u>161,159</u>	<u>78,748</u>	<u>80,720</u>	<u>159,468</u>
NET ASSETS, END OF YEAR	<u>\$ 77,365</u>	<u>\$ 224,503</u>	<u>\$ 301,868</u>	<u>\$ 77,748</u>	<u>\$ 83,411</u>	<u>\$ 161,159</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>2021 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 266,788	\$ 103,891	\$ 370,679
Employee benefits	119,924	44,536	164,460
Travel	471	403	874
Facility expense	285,870	-	285,870
Communications	33,763	652	34,415
Technology	15,909	-	15,909
Office supplies	19,399	864	20,263
Office equipment	-	156	156
Professional fees	18,700	128,626	147,326
Liability insurance	5,150	615	5,765
Outreach	89,677	10,646	100,323
Subcontracted expenses	<u>2,241,087</u>	<u>-</u>	<u>2,241,087</u>
Total expenses	<u>\$ 3,096,738</u>	<u>\$ 290,389</u>	<u>\$ 3,387,127</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program</u>	<u>Management and General</u>	<u>2020 Totals</u>
OPERATING EXPENSES			
Salaries	\$ 354,895	\$ 11,128	\$ 366,023
Employee benefits	136,477	3,859	140,336
Travel	6,233	983	7,216
Facility expense	267,354	-	267,354
Communications	16,083	264	16,347
Office supplies	22,148	729	22,877
Office equipment	-	(189)	(189)
Professional fees	-	110,253	110,253
Liability insurance	7,816	-	7,816
Outreach	65,542	1,703	67,245
Subcontracted expenses	<u>1,223,800</u>	<u>-</u>	<u>1,223,800</u>
Total expenses	<u>\$ 2,100,348</u>	<u>\$ 128,730</u>	<u>\$ 2,229,078</u>

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 140,709	\$ 1,691
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Accounts receivable	(140,836)	33,588
Prepaid expenses	(1,400)	13,354
Accounts payable	(108,706)	(33,845)
Accrued expenses	196,654	7,383
	86,421	22,171
Net cash provided by (used in) operating activities	86,421	22,171
CASH, BEGINNING OF YEAR	81,913	59,742
CASH, END OF YEAR	\$ 168,334	\$ 81,913

See accompanying notes to financial statements.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Region 10 Workforce Investment Board, Inc. (the “Organization”) is an Indiana non-profit corporation comprised of representatives from the private sector, labor, education, economic development and community-based organizations. The Organization provides policy guidance and oversight to the WorkOne system in Indiana’s Region 10 Economic Growth Region. The Region 10 Economic Growth Region includes Clark, Crawford, Floyd, Harrison, Scott and Washington Counties.

The Organization serves as a catalyst to promote collaborative relationships between business, education, labor and service providers to support workforce development efforts and regional economic growth. The majority of the Organization’s financial support is received from federal and state government grants that originate with the U.S. Department of Labor and Indiana Department of Workforce Development.

The Organization’s financial management functions are contracted with Crowe, LLP, a private CPA firm, which serves as the fiscal agent for all funding sources.

BASIS OF ACCOUNTING

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

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Region 10 Workforce Investment Board, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Region 10 Workforce Investment Board, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Region 10 Workforce Investment Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Region 10 Workforce Investment Board, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

GOVERNMENT GRANTS

Support funded by grants is recognized as the Organization performs the cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. No allowance for uncollectible grants has been recorded. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts required prior to expenditures being incurred are reflected as unearned revenue on the statement of financial position.

CONTRIBUTIONS

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions. During the years ended June 30, 2021 and 2020, the Organization received donor restricted contributions in the amounts of \$165,000 and \$20,000, respectively.

CONTRIBUTED SERVICES

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

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments. The volunteers' time does not meet the requirements for recognition under the Statement of Financial Accounting Standard, *Accounting for Contributions Received and Contributions Made*.

PROPERTY AND EQUIPMENT

As of June 30, 2021 and 2020, all property and equipment acquired by the Organization was purchased with funds provided by the State of Indiana and therefore owned by the State of Indiana. Expenditures for maintenance and repairs are expensed when incurred.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

COST ALLOCATION

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all agency programs, which cannot be readily identified with a final cost objective.

The direct allocation method individually allocates indirect costs to functions and programs based on an appropriate base. This method is acceptable provided that the base accurately measures the benefits provided, it is reasonable, and is supported by current data. Cost pools are allocated based on direct costs of each program.

INCOME TAX STATUS

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

TAX BENEFITS

Effective July 1, 2009, the Organization adopted the accounting policy to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Currently, the Organization accounts for contingencies as required by the Accounting for Contingencies Topic of the FASB Accounting Standards Codification, which provides the recording of a contingency based on the probability of certain events to transpire that range from probable to remote as opposed to applying a more likely than not recognition threshold.

The Organization has examined this issue and has determined there are no material contingent tax liabilities. The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

SUBSEQUENT EVENTS

Subsequent events are evaluated through February 8, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Indiana Department of Workforce Development	\$ 303,922	\$ 162,654
Other receivables	<u>20,044</u>	<u>20,476</u>
Total accounts receivable	<u>\$ 323,966</u>	<u>\$ 183,130</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balance at a bank. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, the Organization had bank balances in excess of FDIC limits by \$110,633 and \$0-, respectively.

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

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

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2021 and 2020, the Organization controlled State owned equipment and furniture costing \$7,412 for both years. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

NOTE 5 – NET ASSETS

The restrictions on assets as of June 30, 2021 and 2020 primarily relate to non-federal grants specific assistance to the Organization and its programs, as specified by the donors. Those restrictions are considered to expire when funds are expended.

As of June 30, 2021 and 2020, donor restricted net assets summarized by restriction are as follows:

	<u>2021</u>	<u>2020</u>
Metro United Way Career Launch Program	\$ 63,244	\$ 63,244
Hands Up Scholarship Program	7,989	7,989
GKN	3,000	3,000
Scott County Community Foundation	5,207	6,256
AT&T Aspire Grant	2,922	2,922
Lilly Endowment	61,173	-
CenterPoint Energy Foundation	30,000	-
Southern Indiana AMP	50,968	-
	<u>\$ 224,503</u>	<u>\$ 83,411</u>

NOTE 6 – EMPLOYEE RETIREMENT PLAN

The Organization has a simple IRA plan open to full time employees with at least one-full year of employment. The Organization matches 100% of the first \$1,500 of the employees' contributions through December 31, 2020. Effective January 1, 2021, the Organization matches 100% of the employees' elective deferral up to 3% of wages annually. The Organization's contributions for the years ended June 30, 2021 and 2020 were \$7,817 and \$6,580, respectively.

NOTE 7 – RELATED-PARTY TRANSACTIONS

There were no related party transactions for the years ended June 30, 2021 and 2020.

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 – OPERATING LEASES

The Organization leases space at multiple locations for operation of its programs. Rent expense for the years ended June 30, 2021 and 2020 was \$214,110 and \$214,110, respectively. Future minimum lease payments on non-cancelable leases with terms beyond June 30, 2021, are as follows:

2022	\$ 219,408
2023	224,816
2024	224,816
2022	224,816
2023	224,816
Thereafter	<u>112,408</u>
Total	<u>\$ 1,231,080</u>

NOTE 9 – INFORMATION ABOUT LIQUIDITY

The Organization receives its funding through cost-reimbursement awards from governmental agencies. Since all allowable grant expenditures are reimbursed, the Organization has minimal net assets. Liquid financial assets consist of cash and receivables. For the years ending June 30, 2021 and 2020, financial assets available for cash needs of general expenditures within one year are \$267,797 and \$181,632, respectively after excluding donor restricted assets.

SUPPLEMENTARY INFORMATION

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (P20 Program)	17.258	WIOA 2010	269,001	\$ 117,158	\$ 80,164
WIOA Adult Program (P19 Program)	17.258	WIOA 910	281,537	66,782	26,347
WIOA Adult Program (P20 Admin)	17.258	WIOA 2010	29,889	29,889	-
WIOA Adult Program	17.258	WIOASP 910	175,000	99,119	71,000
				<u>312,948</u>	<u>177,511</u>
WIOA Youth Activities (PY20 Program)	17.259	WIOA 2010	269,591	224,890	144,658
WIOA Youth Activities (PY19 Admin)	17.259	WIOA 910	31,364	31,364	-
WIOA Youth Activities (PY19 Program)	17.259	WIOA 910	282,280	78,262	48,120
				<u>334,516</u>	<u>192,778</u>
WIOA Dislocated Worker Formula Grants (PY20 Program)	17.278	WIOA 2010	275,508	71,941	44,112
WIOA Dislocated Worker Formula Grants (PY20 Admin)	17.278	WIOA 2010	47,278	34,276	-
WIOA Dislocated Worker Formula Grants (PY19 Program)	17.278	WIOA 910	420,712	327,540	182,305
WIOA Dislocated Worker Formula Grants (PY19 Admin)	17.278	WIOA 910	46,745	22,482	-
WIOA Dislocated Worker Formula Grants - COVID-19	17.278	RRCOVID2010	100,000	51,687	2,000
WIOA Dislocated Worker Formula Grants - COVID-19	17.278	RRCOVID2110	42,712	3,233	-
				<u>511,159</u>	<u>228,417</u>
Subtotal for WIOA Cluster passed through DWD				<u>1,158,623</u>	<u>598,706</u>
WIOA National Dislocated Worker Formula Grants					
WIOA National Dislocated Worker Formula Grants	17.277	DWOP910	873,121	363,997	242,287
WIOA National Dislocated Worker Formula Grants - COVID-19	17.277	ERCOVID	667,755	37,379	4,175
WIOA National Dislocated Worker Formula Grants - COVID-19	17.277	DRCOVID	310,120	75,490	67,597
				<u>476,866</u>	<u>314,059</u>
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 2010	67,362	66,070	11,658
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 910	84,670	18,218	2,183
Employment Service/Wagner-Peyser Funded Activities	17.207	BC 2010	120,000	77,075	-
				<u>161,363</u>	<u>13,841</u>
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 2010	18,322	18,322	2,977
Disabled Veterans' Outreach Program (DVOP) Program	17.801	IFA 910	17,138	3,688	557
				<u>22,010</u>	<u>3,534</u>
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 2010	9,024	9,024	1,753
Local Veterans' Employment Representative (LVER) Program	17.804	IFA 910	17,138	3,688	328
				<u>12,712</u>	<u>2,081</u>
Subtotal for Employment Service Cluster passed through DWD				<u>196,085</u>	<u>19,456</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor Agency Pass-Through Entity Cluster Title/Program	Federal CFDA Number	Grant Identifying Number	Federal Award (in dollars \$)	Federal Expenditure	Sub-recipient Pass-through
U.S. Department of Labor - (continued)					
Indiana Department of Workforce Development ("DWD")					
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2010	287,500	\$ 112,512	\$ 98,004
Unemployment Insurance Recovery	17.225	RESEA 910	134,442	18,862	14,919
Unemployment Insurance Recovery - COVID-19	17.225	UICOVID2010	20,000	8,632	-
Subtotal for Unemployment Insurance Recovery				140,006	112,923
Trade Adjustment Assistance					
Trade Adjustment Assistance	17.245	TAA 2010	14,676	14,676	2,554
Trade Adjustment Assistance	17.245	TAA 910	18,866	4,059	478
Subtotal for Trade Adjustment Assistance				18,735	3,032
Apprenticeship USA Expansion and Innovation Grants					
Apprenticeship USA Expansion and Innovation Grants	17.285	AppExp910	179,499	15,045	-
Apprenticeship USA Expansion and Innovation Grants	17.285	AppExp2010	113,988	113,988	87,273
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI	100,000	1,559	-
				130,592	87,273
Total for U.S. Department of Labor				2,120,907	1,135,449
U.S. Department of Health and Human Services					
Indiana Department of Workforce Development ("DWD")					
Jobs for America's Graduates - TANF	93.558	JAG TANF 2010	289,000	80,775	74,000
Total for U.S. Department of Health and Human Services				80,775	74,000
U.S. Department of Education					
Indiana Department of Workforce Development ("DWD")					
Vocational Rehabilitation Grant	84.126A	Pre-ETS 910	57600	24013	24013
Vocational Rehabilitation Grant	84.126A	Pre-ETS 2010	76800	20106	20106
Vocational Rehabilitation Grant	84.126	IFA 910	2929	630	114
Total for U.S. Department of Education				44,749	44,233
U.S. Department of Treasury					
Indiana Department of Workforce Development ("DWD")					
Coronavirus Relief Fund - COVID-19	21.019	WRGCARES2010	610,816	574,340	522,681
Coronavirus Relief Fund - COVID-19	21.019	ETGCARES2010	154,000	59,891	-
Coronavirus Relief Fund - COVID-19	21.019	WRGCARES2110	251,000	112,152	107,598
Total for U.S. Department of Treasury				746,383	630,279
Total Expenditures of Federal Awards				\$ 2,992,814	\$ 1,883,961

See accompanying Notes to the Schedule of Expenditures of Federal Awards

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Region 10 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Region 10 Workforce Investment Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Region 10 Workforce Investment Board, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	State and Local Awards (in dollars \$)	State and Local Expended
Indiana Department of Workforce Development:			
Jobs for America's Graduates	JAG 2010	293,748	\$ 278,229
Strata JAG	SJAG-910	118,750	57,475
DWD IFA Partners			10,978
Jobs for Hoosiers	JFH-910	6,000	1,830
Grant Writing	GrWr2010	21,500	<u>21,500</u>
Total Expenditures of State and Local Awards			<u>\$ 370,012</u>

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE 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 Awards 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
Region 10 Workforce Investment Board, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Region 10 Workforce Investment Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Region 10 Workforce Investment Board, Inc.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region 10 Workforce Investment Board, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
February 8, 2022



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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
Region 10 Workforce Investment Board, Inc.

Report on Compliance for Each Major Federal Program

We have audited Region 10 Workforce Investment Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Region 10 Workforce Investment Board, Inc.'s major federal programs for the year ended June 30, 2021. Region 10 Workforce Investment Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Region 10 Workforce Investment Board, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Region 10 Workforce Investment Board, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Region 10 Workforce Investment Board, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Region 10 Workforce Investment Board, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Region 10 Workforce Investment Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Region 10 Workforce Investment Board, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Region 10 Workforce Investment Board, Inc.'s internal control over compliance.

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

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
February 8, 2022

**REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE 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

Program tested as major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	U.S. Dept. of Treasury – Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes No

REGION 10 WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (continued)
FOR THE YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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