



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

February 27, 2023

Board of Directors
South Central Region 8 Workforce Board, Inc.
333 S. Landmark Ave
Bloomington, IN 47403

We have reviewed the audit report of South Central Region 8 Workforce Board, 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 South Central Region 8 Workforce 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, Comer, Nowling and Associates, PC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

**South Central Region 8
Workforce Board, Inc.**



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

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	13
Notes to Schedule of Expenditures of Federal Awards	15
Schedule of Expenditures of State and Local Awards.....	16
Summary Schedule of Prior Audit Findings.....	17
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance required by the <i>Uniform Guidance</i>	20
Schedule of Findings and Questioned Costs.....	22

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
South Central Region 8 Workforce Board, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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

See accompanying notes to financial statements.

SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS:		
Cash	\$ 370,119	\$ 24,587
Grants receivable	315,835	289,461
Prepaid expenses	1,119	2,376
Total current assets	687,073	316,424
Total assets	\$ 687,073	\$ 316,424

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 394,311	\$ 297,924
Accrued expenses	283,223	18,500
Total current liabilities	677,534	316,424
NET ASSETS - WITHOUT DONOR RESTRICTIONS	-	-
NET ASSETS - WITH DONOR RESTRICTIONS	9,539	-
Total net assets	9,539	-
Total liabilities and net assets	\$ 687,073	\$ 316,424

See accompanying notes to financial statements.

SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
REVENUE		
Federal grant revenue	\$ 3,243,917	\$ 2,559,243
Other grant revenue	484,218	323,710
Total revenue	3,728,135	2,882,953
 EXPENSES		
Program activities	3,515,409	2,687,649
Management and general	203,187	195,304
Total expenses	3,718,596	2,882,953
 CHANGE IN NET ASSETS	9,539	-
NET ASSETS, BEGINNING OF YEAR	-	-
NET ASSETS, END OF YEAR	\$ 9,539	\$ -

See accompanying notes to financial statements

SOUTH CENTRAL REGION 8 WORKFORCE 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			
Office supplies	\$ -	\$ 253	\$ 253
Professional fees	-	85,500	85,500
Liability insurance	-	4,615	4,615
Outreach	3,950	2,878	6,828
Training	678,963	-	678,963
Sub-contractor expenses	2,832,496	109,941	2,942,437
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 3,515,409</u>	<u>\$ 203,187</u>	<u>\$ 3,718,596</u>

See accompanying notes to financial statements.

SOUTH CENTRAL REGION 8 WORKFORCE 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			
Travel	\$ 3	\$ -	\$ 3
Professional fees	-	82,600	82,600
Liability insurance	-	3,925	3,925
Outreach	7,365	-	7,365
Training	90,204	-	90,204
Sub-contractor expenses	<u>2,590,077</u>	<u>108,779</u>	<u>2,698,856</u>
Total expenses	<u>\$ 2,687,649</u>	<u>\$ 195,304</u>	<u>\$ 2,882,953</u>

See accompanying notes to financial statements.

SOUTH CENTRAL REGION 8 WORKFORCE 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	\$ 9,539	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash from changes in:		
Grants receivable	(26,374)	153,948
Accounts receivable - other	-	-
Prepaid expenses	1,257	(792)
Accounts payable	96,387	(197,503)
Accrued expenses	264,723	(1,399)
Deferred revenue	-	(111,389)
Net cash provided by (used in) operating activities	345,532	(157,135)
CASH, BEGINNING OF YEAR	24,587	181,722
CASH, END OF YEAR	\$ 370,119	\$ 24,587

See accompanying notes to financial statements.

SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

South Central Region 8 Workforce 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 8 Economic Growth Region. The Region 8 Economic Growth Region includes Brown, Daviess, Greene, Lawrence, Martin, Monroe, Orange and Owen 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, South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of South Central Region 8 Workforce 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.

SOUTH CENTRAL REGION 8 WORKFORCE 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. The Organization did not receive contributions during the years ended June 30, 2021 and 2020.

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.

SOUTH CENTRAL REGION 8 WORKFORCE 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.

SOUTH CENTRAL REGION 8 WORKFORCE 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 – GRANTS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Indiana Department of Workforce Development	\$ 304,929	\$ 283,173
Department of Labor	10,906	6,288
	<u>\$ 315,835</u>	<u>\$ 289,461</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains a cash balance at a single bank. The account is insured the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2021 and 2020. At June 30, 2021 and 2020, there were bank balances in excess of FDIC coverage were \$120,118 and \$3,197, respectively.

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

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

NOTE 4 – STATE OWNED PROPERTY AND EQUIPMENT

As of June 30, 2021 and 2020, the Organization controlled State owned equipment and furniture costing \$241,545 and \$202,424, respectively. These assets were purchased with funds provided by the State of Indiana. Per contract and grant agreements, title to any assets purchased with State funds remains with the State and are reported as assets in the financial statements of the State of Indiana. Therefore, assets purchased with State funds are not reflected in the financial statements of the Organization.

SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 – 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 no unrestricted 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 \$685,953 and \$314,048, respectively.

SINGLE AUDIT SECTION

SOUTH CENTRAL REGION 8 WORKFORCE 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	Subrecipient Pass Through
U.S. Department of Labor					
Indiana Department of Workforce Development ("DWD")					
Workforce Investment Act Cluster (WIA)					
WIOA Adult Program (PY20 Program)	17.258	WIOA 2008	384,392	\$ 212,294	\$ 212,294
WIOA Adult Program (PY19 Program)	17.258	WIOA 908	405,979	123,229	123,229
WIOA Adult Program (PY20 Admin)	17.258	WIOA 2008	42,710	25,872	9,492
WIOA Adult Program	17.258	WIOASP 908	195,000	163,971	161,123
				<u>525,366</u>	<u>506,138</u>
WIOA Youth Activities (PY20 Program)	17.259	WIOA 2008	499,604	276,964	276,964
WIOA Youth Activities (PY19 Program)	17.259	WIOA 908	525,766	247,002	247,002
WIOA Youth Activities (PY19 Admin)	17.259	WIOA 908	58,418	46,794	35,000
				<u>570,760</u>	<u>558,966</u>
WIOA Dislocated Worker Formula Grants (PY20 Program)	17.278	WIOA 2008	398,531	178,526	178,526
WIOA Dislocated Worker Formula Grants (PY19 Program)	17.278	WIOA 908	389,280	173,777	173,777
WIOA Dislocated Worker Formula Grants (PY19 Admin)	17.278	WIOA 908	43,253	43,253	34,152
WIOA Dislocated Worker Formula Grants - COVID-19	17.278	RRCOVID2008	100,000	55,031	55,031
WIOA Dislocated Worker Formula Grants - COVID-19	17.278	RRCOVID2108	60,000	1,054	1,054
WIOA Dislocated Worker Formula Grants	17.278	IFA 908	2,859	715	715
				<u>452,356</u>	<u>443,255</u>
Subtotal for WIOA Cluster passed through DWD				<u>1,548,482</u>	<u>1,508,359</u>
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	BC2008	120,000	62,294	62,294
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 908	3,744	1,857	1,857
Employment Service/Wagner-Peyser Funded Activities	17.207	IFA 2008	2,221	2,221	2,221
Disabled Veterans' Outreach Program (DVOP)	17.801	IFA 908	22	5	5
Local Veterans' Employment Representative (LVER)	17.804	IFA 908	22	5	5
Subtotal Employment Service Cluster passed through DWD				<u>66,382</u>	<u>66,382</u>
Unemployment Insurance Recovery					
Unemployment Insurance Recovery	17.225	RESEA 2008	287,500	163,856	159,086
Unemployment Insurance Recovery	17.225	RESEA 908	199,269	32,887	32,437
Unemployment Insurance Recovery - COVID-19	17.225	UICOVID	20,000	19,572	19,572
Unemployment Insurance Recovery	17.225	IFA 2008	15,111	15,111	15,111
Unemployment Insurance Recovery	17.225	IFA 908	18,460	4,615	4,615
Subtotal for Unemployment Insurance Recovery				<u>236,041</u>	<u>230,821</u>
Trade Adjustment Assistance	17.245	IFA 908	3,343	835	835
Apprenticeship USA Expansion and Innovation Grants	17.285	ASEDRI2008	100,000	2,927	2,872
WIOA National Dislocated Worker Grants					
WIOA National Dislocated Worker Grants - COVID-19	17.277	DRCOVID2008	131,500	79,924	73,821
WIOA National Dislocated Worker Grants - COVID-19	17.277	ERCOVID2008	350,000	95,087	92,970
				<u>175,011</u>	<u>166,791</u>
Direct Award					
Homeless Veterans Reintegration	17.805	HV-33891	250,000	85,117	78,618
Total for U.S. Department of Labor				<u>2,114,795</u>	<u>2,054,678</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
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	Subrecipient Pass Through
U.S. Department of Health and Human Services					
Indiana Department of Workforce Development ("DWD")					
Jobs for America's Graduates - TANF	93.558	JAG TANF 2008	98,215	98,215	93,215
Jobs for America's Graduates - TANF	93.558	JAG TANF 908	510,000	80,603	79,652
Total for U.S. Department of Health and Human Services				<u>178,818</u>	<u>172,867</u>
U.S. Department of Education					
Indiana Department of Workforce Development ("DWD")					
Vocational Rehabilitation	84.126	PRE-ETS2008	120,000	69,213	69,213
Vocational Rehabilitation	84.126	IFA 908	1,799	450	450
Total for U.S. Department of Education				<u>69,663</u>	<u>69,663</u>
U.S. Department of Treasury					
Indiana Department of Workforce Development ("DWD")					
Coronavirus Relief Fund - COVID-19	21.019	WRGCARES2008	582,573	516,903	50,000
Coronavirus Relief Fund - COVID-19	21.019	ETGCARES	94,444	94,444	94,444
Coronavirus Relief Fund - COVID-19	21.019	WRGCARES2108	994,500	269,294	42,792
Total for U.S. Department of Treasury				<u>880,641</u>	<u>187,236</u>
Total passed through DWD				<u>3,158,800</u>	<u>2,405,826</u>
Total Expenditures of Federal Awards				<u>\$ 3,243,917</u>	<u>\$ 2,484,444</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

SOUTH CENTRAL REGION 8 WORKFORCE 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 South Central Region 8 Workforce Board, 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* (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 South Central Region 8 Workforce Board, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of South Central Region 8 Workforce 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

South Central Region 8 Workforce Board, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

STATE/LOCAL GRANTOR AGENCY	Grant or Identifying Number	State and Local Awards (in dollars \$)	State and Local Expended
Program Title			
Indiana Department of Workforce Development:			
Jobs for America's Graduates	JAG 2008	290,381	\$ 142,396
Jobs for America's Graduates	JAG 908	203,593	191,055
Strata JAG	SJAG908	118,750	73,085
Jobs for Hoosiers	JFH 908	6,500	6,500
Workforce Ready grant			(2,419)
Grant Writing	GrWr2008	6,500	3,495
GrantWatch subscription	GWS 908	3,950	3,950
Infrastructure Funding	IFA908	8,706	4,155
			<u>4,155</u>
Total Expenditures of State and Local Awards			<u>\$ 422,217</u>

**SOUTH CENTRAL REGION 8 WORKFORCE BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

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



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**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
South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
South Central Region 8 Workforce Board, Inc.

Report on Compliance for Each Major Federal Program

We have audited South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc.'s major federal programs for the year ended June 30, 2021. South Central Region 8 Workforce 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 South Central Region 8 Workforce 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; 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce Board, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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 South Central Region 8 Workforce 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

**SOUTH CENTRAL REGION 8 WORKFORCE 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

**SOUTH CENTRAL REGION 8 WORKFORCE 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.