# Northeast Indiana Works, Inc.

## Financial Statements and Supplementary Information

Years Ended June 30, 2021 and 2020

NORTHEAST INDIANA WORKS
advancing workforce skills

© Wipfli LLP

WIPFLI

# Northeast Indiana Works, Inc.

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

## Table of Contents


Independent Auditor's Report ..... 1

Financial Statements

- Statements of Financial Position ..... 3
- Statements of Activities ..... 4
- Statements of Functional Expenses ..... 6
- Statements of Cash Flows ..... 7
- Notes to Financial Statements ..... 8

Supplementary Information

- Schedule of Expenditures of Federal Awards and Other Financial Assistance ..... 13

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters ..... 16

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance ..... 18

Schedule of Findings and Questioned Costs ..... 20

WIPFLI

## Independent Auditor's Report

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

### Report on the Financial Statements

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

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Northeast Indiana Works, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on the effectiveness of Northeast Indiana Works, Inc.'s internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Indiana Works, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 13, 2021
Madison, Wisconsin

# Northeast Indiana Works, Inc.

## Statements of Financial Position
June 30, 2021 and 2020

| *Assets* | 2021 | 2020 |
|---|---|---|
| Current assets: | | |
| Cash | $ 218,550 | $ 212,571 |
| Grants receivable | 425,245 | 554,447 |
| Other receivables | 16,737 | 61 |
| Prepaid expenses | 77,357 | 81,301 |
| Total current assets | 737,889 | 848,380 |
| **TOTAL ASSETS** | $ 737,889 | $ 848,380 |
| *Liabilities and Net Assets* | | |
| Current liabilities: | | |
| Accounts payable | $ 467,926 | $ 629,791 |
| Accrued payroll and related expenses | 110,594 | 109,307 |
| Refundable advances | 0 | 4,184 |
| Total current liabilities | 578,520 | 743,282 |
| Net assets: | | |
| Without donor restrictions | 102,130 | 101,081 |
| With donor restrictions | 57,239 | 4,017 |
| Total net assets | 159,369 | 105,098 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 737,889 | $ 848,380 |

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

## Statements of Activities

Years Ended June 30, 2021 and 2020

| | 2021 | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenue: | | | |
| Grant revenue | $ 5,196,187 | $ 53,222 | $ 5,249,409 |
| Other revenue | 61 | 0 | 61 |
| Total revenue | 5,196,248 | 53,222 | 5,249,470 |
| Expenses: | | | |
| Program activities: | | | |
| Training | 794,191 | 0 | 794,191 |
| On-the-Job training | 22,296 | 0 | 22,296 |
| Supportive services | 1,450 | 0 | 1,450 |
| Service provider expenses | 1,365,470 | 0 | 1,365,470 |
| WorkOne operations | 2,700,617 | 0 | 2,700,617 |
| Total program activities | 4,884,024 | 0 | 4,884,024 |
| Management and general | 311,175 | 0 | 311,175 |
| Total expenses | 5,195,199 | 0 | 5,195,199 |
| Changes in net assets | 1,049 | 53,222 | 54,271 |
| Net assets at beginning of year | 101,081 | 4,017 | 105,098 |
| Net assets at end of year | $ 102,130 | $ 57,239 | $ 159,369 |

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

## Statements of Activities (Continued)

Years Ended June 30, 2021 and 2020

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

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

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

| | 2021 | | |
|---|---|---|---|
| | Program Activities | Management & General | Total |
| Expenses: | | | |
| Salaries and benefits | $ 1,985,423 | $ 231,860 | $ 2,217,283 |
| Travel, training and conferences | 14,828 | 267 | 15,095 |
| Space and insurance costs | 401,537 | 22,209 | 423,746 |
| Telephone and internet | 54,278 | 1,433 | 55,711 |
| Supplies, postage and delivery fees | 7,480 | 503 | 7,983 |
| Equipment, leases and maintenance | 55,796 | 928 | 56,724 |
| Contracted services | 181,274 | 53,975 | 235,249 |
| Customer expenses | 817,938 | 0 | 817,938 |
| Service providers - non-customer expenses | 1,233,013 | 0 | 1,233,013 |
| Service providers - customer expenses | 132,457 | 0 | 132,457 |
| **Total expenses** | $ 4,884,024 | $ 311,175 | $ 5,195,199 |

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

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

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

| | 2021 | 2020 |
|---|---|---|
| Increase (decrease) in cash: | | |
| Cash flows from operating activities: | | |
| Changes in net assets | $ 54,271 | $ 1,840 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Grants receivable | 129,202 | 51,045 |
| Other receivables | ( 16,676) | 39,515 |
| Prepaid expenses | 3,944 | 5,153 |
| Accounts payable | ( 161,865) | 12,206 |
| Accrued payroll and related expenses | 1,287 | ( 38,027) |
| Refundable advances | ( 4,184) | 3,798 |
| Net cash provided by operating activities | 5,979 | 75,530 |
| Changes in cash | 5,979 | 75,530 |
| Cash at beginning of year | 212,571 | 137,041 |
| Cash at end of year | $ 218,550 | $ 212,571 |

See accompanying notes to financial statements.

# Northeast Indiana Works, Inc.

Notes to Financial Statements

## Note 1: Summary of Significant Accounting Policies

### Nature of Operations

Northeast Indiana Regional Workforce Investment Board, Inc. was organized as a not-for-profit corporation in 2011. On April 29, 2014, the organization received approval to change the organization's name to Northeast Indiana Works, Inc. (NEINW). NEINW was formed to receive and administer funds for educational, charitable, job training and workforce development purposes. Currently NEINW oversees Workforce Development Services provided in eleven (11) counties in Northeast Indiana. For the fiscal years ending June 30, 2021 and 2020, over 96% and 99% of the total revenue is federal pass-through funding or state funding received on behalf of the Region 3 Workforce Board from the State of Indiana, Department of Workforce Development.

### Basis of Presentation

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

### Classification of Net Assets

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

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

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

### Use of Estimates

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

### 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. NEINW 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 NEINW 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.

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

### Revenue Recognition

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

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

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

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

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

### Property and Equipment

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

### Income Taxes

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

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

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

### Functional Allocation of Costs

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

The State of Indiana Department of Workforce Development has implemented the Workforce Innovation and Opportunity Act requirement to share infrastructure and additional costs associated with the WorkOne Centers through an Infrastructure Funding Agreement (IFA). This agreement establishes the method of allocating costs based on the benefit received by each partner. NEINW allocates its portion of the shared costs per its cost allocation plan. For June 30, 2021 and 2020, the partners included in the IFA paid $179,553 and $183,850, 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.

### 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. NEINW is currently evaluating the effects of this ASU.

### Subsequent Events

Subsequent events have been evaluated through December 13, 2021, which is the date the financial statements were available to be issued.

## Note 2: Concentration of Credit Risk

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

## Note 3: Liquidity and Availability

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

| | 2021 | 2020 |
|---|---|---|
| Cash | $ 218,550 | $ 212,571 |
| Grants and contracts receivable | 425,245 | 554,447 |
| Other receivables | 16,737 | 61 |
| Subtotal financial assets | 660,532 | 767,079 |
| Less: accounts payable restricted for grant expenditures | 460,872 | 621,700 |
| Less: accrued payroll and related expenses | 110,594 | 109,307 |
| Less: refundable advances | 0 | 4,184 |
| Less: cash included in net assets with donor restrictions | 57,239 | 4,017 |
| Total | $ 31,827 | $ 27,871 |

NEINW does not have a formal liquidity policy. NEINW can rely on lower balances of available financial assets as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source. NEINW has grant commitments for future expenses of approximately $2,941,000 at June 30, 2021.

## Note 4: Grants Receivable

Grants receivable at June 30, 2021 and 2020 of $425,245 and $554,447 consists primarily of amounts due from Indiana Department of Workforce Development for federal and state grants.

## Note 5: Operating Leases

NEINW leases certain buildings and equipment under several operating leases. Total lease expense, including amounts reimbursed from the IFA, for NEINW for the years ended June 30, 2021 and 2020, was $541,754 and $547,994.

Future minimum lease payments are as follows:

| | |
|---|---|
| 2022 | $ 381,834 |
| 2023 | 76,752 |
| 2024 | 1,061 |
| Total | $459,647 |

## Note 6: Retirement Plan

NEINW has established a retirement plan authorized under Section 401(k) of the Internal Revenue Code that covers all regular employees. NEINW funds a discretionary contribution as determined by the agency. For the years ended June 30, 2021 and 2020, the discretionary contribution was 3% of the employee's gross compensation. NEINW also matches employee contributions up to 3%. The total retirement expense for the years ended June 30, 2021 and 2020, was $39,936 and $95,135. Forfeitures of $42,953 were used to fund a portion of the employer contributions for the year ended June 30, 2021.

## Note 7: Grant Awards

As of June 30, 2021, NEINW had commitments for future funding under various grant awards of approximately $2,941,000. The revenue relating to these grants is not recognized in the accompanying financial statements as the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the future.

## Note 8: Related Parties

One member of the Board of Directors is employed by the Indiana Department of Workforce Development (IN DWD) that is the primary funding source for NEINW. Total grant revenue received from IN DWD was $5,065,410 and $6,390,052 for the years ended June 30, 2021 and 2020. See Note 4 for more information about grants receivable due from IN DWD as of June 30, 2021 and 2020. A second member of the Board of Directors is employed by the Northeast Indiana Regional Partnership which subleases office space to NEINW. A third member is employed by Ivy Tech Community College, a training provider for NEINW. A fourth member is employed by Impact Institute which subleases office space to NEINW. Program and administrative expenses included in the statements of activities and statements of functional expenses and accounts payable included in the statements of financial position in connection with the above-described relationships are as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Accounts Payable | Expenditures | Accounts Payable | Expenditures |
| Ivy Tech Community College | $ 9,000 | $ 230,651 | $ 42,350 | $ 75,640 |
| Northeast Indiana Regional Partnership | 0 | 92,191 | 0 | 92,772 |
| Impact Institute | 0 | 6,000 | 142,403 | 584,088 |
| Totals | $ 9,000 | $ 328,842 | $ 184,753 | $ 752,500 |

# Supplementary Information

# Northeast Indiana Works, 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 PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT for WIOA CLUSTER** | | | | | | |
| **WIOA Cluster** | | | | | | |
| 17.258 | WIOA903 | WIOA Adult Program | IN Dept. of Workforce Development | 07/01/19-12/31/21 | 0 | $ 134,229 |
| 17.258 | WIOA2003 | WIOA Adult Program | IN Dept. of Workforce Development | 07/01/20-06/30/22 | 13,603 | 597,964 |
| 17.258 | WIOASP803 | WIOA Adult Program | IN Dept. of Workforce Development | 10/19/18-12/31/20 | 0 | 11,373 |
| | | **Total Federal Expenditures AL #17.258** | | | **13,603** | **743,566** |
| 17.259 | WIOA903 | WIOA Youth Activities | IN Dept. of Workforce Development | 07/01/19-12/31/21 | 0 | 113,137 |
| 17.259 | WIOA2003 | WIOA Youth Activities | IN Dept. of Workforce Development | 07/01/20-06/30/22 | 516,946 | 649,261 |
| 17.259 | WIOASP903 | WIOA Youth Activities | IN Dept. of Workforce Development | 10/01/19- 05/15/21 | 0 | 85,218 |
| | | **Total Federal Expenditures AL #17.259** | | | **516,946** | **847,616** |
| 17.278 | WIOA903 | WIOA Dislocated Worker Formula | IN Dept. of Workforce Development | 07/01/19-12/31/21 | 0 | 176,480 |
| 17.278 | WIOA2003 | WIOA Dislocated Worker Formula | IN Dept. of Workforce Development | 07/01/20-06/30/22 | 0 | 836,363 |
| 17.278 | RRCOVID2003 | COVID-19 WIOA Dislocated Worker Formula | IN Dept. of Workforce Development | 03/23/20-03/31/21 | 0 | 65,168 |
| 17.278 | RRCOVID2103 | COVID-19 WIOA Dislocated Worker Formula | IN Dept. of Workforce Development | 05/27/21-03/31/22 | 0 | 1,457 |
| | | **Total Federal Expenditures AL #17.278** | | | **0** | **1,079,468** |
| | | **Total Federal Expenditures WIOA Cluster AL #17.258, #17.259, #17.278** | | | **530,549** | **2,670,650** |
| **DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT for EMPLOYMENT SERVICE CLUSTER** | | | | | | |
| **Employment Service Cluster** | | | | | | |
| 17.207 | BC2003 | Employment Service/Wagner Peyser Funded Activities | IN Dept. of Workforce Development | 07/01/20-12/31/21 | 0 | 108,824 |
| | | **Total Federal Expenditures Employment Service Cluster AL #17.207** | | | **0** | **108,824** |
| **DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 17.245 | TAAOJT2103 | Trade Adjustment Assistance | IN Dept. of Workforce Development | 05/01/21-09/30/21 | 0 | 561 |
| | | **Total Federal Expenditures AL #17.245** | | | **0** | **561** |
| **DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 17.277 | DRCOVID2003 | COVID-19 WIOA National Dislocated Worker Grants/WIA National Emergency Grants | IN Dept. of Workforce Development | 06/01/20-02/15/22 | 0 | 62,033 |
| 17.277 | ERCOVID2003 | COVID-19 WIOA National Dislocated Worker Grants/WIA National Emergency Grants | IN Dept. of Workforce Development | 09/04/20-05/15/22 | 451 | 18,144 |
| | | **Total Federal Expenditures AL #17.277** | | | **451** | **80,177** |
| **DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 17.285 | ASEDRI2003 | Apprenticeship USA Grant | IN Dept. of Workforce Development | 07/01/19-05/15/22 | 0 | 299 |
| | | **Total Federal Expenditures AL #17.285** | | | **0** | **299** |
| **DEPARTMENT OF LABOR PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 17.225 | RESEA903 | Unemployment Insurance | IN Dept. of Workforce Development | 01/01/19-08/15/20 | 0 | 43,405 |
| 17.225 | RESEA2003 | Unemployment Insurance | IN Dept. of Workforce Development | 01/01/20-08/15/21 | 12,922 | 428,633 |
| 17.225 | UICOVID2003 | COVID-19 Unemployment Insurance | IN Dept. of Workforce Development | 03/23/20-12/31/20 | 0 | 3,868 |
| | | **Total Federal Expenditures AL #17.225** | | | **12,922** | **475,906** |
| | | | | **DEPARTMENT OF LABOR TOTAL** | **543,922** | **3,336,417** |

# Northeast Indiana Works, 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 EDUCATION PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 84.126A | Pre-ETS903 | Rehabilitation Services Vocational Rehabilitation Grants to States | IN Dept. of Workforce Development | 07/01/19-12/31/20 | 25,800 | 25,800 |
| 84.126A | Pre-ETS2003 | Rehabilitation Services Vocational Rehabilitation Grants to States | IN Dept. of Workforce Development | 10/01/20-06/30/21 | 58,619 | 58,619 |
| | | **Total Federal Expenditures AL #84.126A** | | | **84,419** | **84,419** |
| | | | | **DEPARTMENT OF EDUCATION TOTAL** | **84,419** | **84,419** |
| **DEPARTMENT OF HEALTH AND HUMAN SERVICES PASS THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 93.558 | JAGT903 | Temporary Assistance for Needy Families | IN Dept. of Workforce Development | 10/01/19-09/30/20 | 77,440 | 88,000 |
| | | **Total Federal Expenditures AL #93.558** | | | **77,440** | **88,000** |
| | | | | **DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL** | **77,440** | **88,000** |
| **DEPARTMENT OF THE TREASURY THROUGH the INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| 21.019 | WRGCARES2003 | COVID-19 Coronavirus Relief Fund | IN Dept. of Workforce Development | 03/01/20-12/30/20 | 0 | 641,757 |
| 21.019 | WRGCARES2103 | COVID-19 Coronavirus Relief Fund | IN Dept. of Workforce Development | 03/01/20-09/30/21 | 0 | 119,915 |
| 21.019 | ETGCARES2003 | COVID-19 Coronavirus Relief Fund | IN Dept. of Workforce Development | 03/01/20-12/30/20 | 0 | 125,277 |
| | | **Total Federal Expenditures AL #21.019** | | | **0** | **886,949** |
| | | | | **DEPARTMENT OF THE TREASURY TOTAL** | **0** | **886,949** |
| | | **Total Federal Expenditures** | | | **$ 705,781** | **$ 4,395,785** |
| **STATE AND LOCAL PROGRAMS** | | | | | | |
| **INDIANA STATE FUNDS FROM INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT** | | | | | | |
| N/A | JAG903 | Jobs for America's Graduates | IN Dept. of Workforce Development | 07/01/19-03/31/21 | 203,661 | 233,128 |
| N/A | JAG2003 | Jobs for America's Graduates | IN Dept. of Workforce Development | 07/01/20-12/31/21 | 377,397 | 427,064 |
| N/A | GrWr2003 | Grant Writing | IN Dept. of Workforce Development | 04/01/20-06/30/21 | 4,500 | 6,500 |
| N/A | JFH903 | Jobs for Hoosiers | IN Dept. of Workforce Development | 01/01/20-06/30/21 | 0 | 2,933 |
| | | **Total Indiana Expenditures** | | | **585,558** | **669,625** |
| **LOCAL AND OTHER PROGRAMS** | | | | | | |
| N/A | 2020 2138 | COVID-19 Youth | Lilly Endowment | 09/01/20-08/31/21 | 126,784 | 130,778 |
| N/A | NA | Corporate Expenditures | N/A | 07/07/20-06/30/21 | 0 | 48 |
| N/A | NA | Lease Adjustment Expense | N/A | 07/07/20-06/30/21 | 0 | ( 1,037) |
| | | **Total Local and Other Expenditures** | | | **$ 126,784** | **$ 129,789** |
| | | **Total Expenditures** | | | **$ 1,418,123** | **$ 5,195,199** |

**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 Northeast Indiana Works, 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 Northeast Indiana Works, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Northeast Indiana Works, Inc.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - 10% De Minimis**

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

WIPFLI

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Northeast Indiana Works, Inc. which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Indiana Works, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Indiana Works, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast Indiana Works, Inc.'s internal control.

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

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

### Compliance and Other Matters

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

## Purpose of this Report

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

Wipfli LLP

Wipfli LLP

December 13, 2021
Madison, Wisconsin

WIPFLI

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

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

### Report on Compliance for the Major Federal Program

We have audited Northeast Indiana Works, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2021. Northeast Indiana Works, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility for Compliance

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

### Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide legal determination on Northeast Indiana Works, Inc.'s compliance.

### Opinion on the Major Federal Program

In our opinion, Northeast Indiana Works, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Wipfli LLP

December 13, 2021
Madison, Wisconsin

# Northeast Indiana Works, 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 programs: | |
| 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: | |
| Name of Federal Major Program or Cluster | AL No. |
| • **U.S. Department of the Treasury** | |
| Coronavirus Relief Fund | 21.019 |
| 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