Northeast Indiana Works, Inc.

Financial Statements
and Supplementary Information

Years Ended June 30, 2024 and 2023

NORTHEAST INDIANA WORKS
advancing workforce skills

WIPFLI

Northeast Indiana Works, Inc.

Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northeast Indiana Works, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northeast Indiana Works, Inc. as of June 30, 2024 and 2023, 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.

Basis for Opinion

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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northeast Indiana Works, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northeast Indiana Works, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northeast Indiana Works, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northeast Indiana Works, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards and Other Financial Assistance, as 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 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 December 26, 2024, on our consideration of the 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 of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northeast Indiana Works, Inc.'s 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 the Northeast Indiana Works, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin

December 26, 2024

Northeast Indiana Works, Inc.

Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Current assets:		
Cash	$ 919,098	$ 482,472
Grants receivable	973,076	584,224
Other receivables	12,956	18,372
Prepaid expenses	83,480	86,908
Total current assets	1,988,610	1,171,976
Operating Lease - Right of use assets	796,192	1,082,375
TOTAL ASSETS	$ 2,784,802	$ 2,254,351
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 1,366,363	$ 626,234
Accrued payroll and related expenses	74,456	106,817
Current portion of operating lease liabilities	480,924	457,906
Refundable advances	383,897	79,378
Total current liabilities	2,305,640	1,270,335
Long-term liability: Operating lease liabilities	327,362	631,723
Total liabilities	2,633,002	1,902,058
Net assets:		
Without donor restrictions	109,810	115,215
With donor restrictions	41,990	237,078
Total net assets	151,800	352,293
TOTAL LIABILITIES AND NET ASSETS	$ 2,784,802	$ 2,254,351

See accompanying notes to financial statements.

Northeast Indiana Works, Inc.

Statements of Activities

Years Ended June 30, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	$ 7,658,101	$ -	$ 7,658,101
Other revenue	393	-	393
Net assets released from restrictions	195,088	(195,088)	-
Total revenue	7,853,582	(195,088)	7,658,494
Expenses:			
Program activities:			
Apprenticeship and Pre Apprenticeship	16,190	-	16,190
Employer training	1,861,483	-	1,861,483
On-the-job training	10,575	-	10,575
Service provider expenses	3,564,050	-	3,564,050
WorkOne operations	2,069,716	-	2,069,716
Total program activities	7,522,014	-	7,522,014
Management and general	336,973	-	336,973
Total expenses	7,858,987	-	7,858,987
Changes in net assets	(5,405)	(195,088)	(200,493)
Net assets at beginning of year	115,215	237,078	352,293
Net assets at end of year	$ 109,810	$ 41,990	$ 151,800

See accompanying notes to financial statements.

Northeast Indiana Works, Inc.

Statements of Activities (Continued)

Years Ended June 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	$ 6,161,749	$ 75,000	$ 6,236,749
Other revenue	25,315	-	25,315
Net assets released from restrictions	71,787	(71,787)	-
Total revenue	6,258,851	3,213	6,262,064
Expenses:			
Program activities:			
Training	539,621	-	539,621
Employer training	1,003,880	-	1,003,880
On-the-job training	45,668	-	45,668
Service provider expenses	1,421,179	-	1,421,179
WorkOne operations	2,911,795	-	2,911,795
Total program activities	5,922,143	-	5,922,143
Management and general	329,046	-	329,046
Total expenses	6,251,189	-	6,251,189
Changes in net assets	7,662	3,213	10,875
Net assets at beginning of year	107,553	233,865	341,418
Net assets at end of year	$ 115,215	$ 237,078	$ 352,293

See accompanying notes to financial statements.

Northeast Indiana Works, Inc.

Statements of Functional Expenses

Years Ended June 30, 2024 and 2023

	2024		
	Program Activities	Management & General	Total
Expenses:			
Salaries and benefits	$ 942,263	$ 227,637	$ 1,169,900
Travel, training and conferences	27,189	615	27,804
Space and insurance costs	410,364	21,110	431,474
Telephone and internet	56,919	1,679	58,598
Supplies, postage and delivery fees	12,681	871	13,552
Equipment and maintenance	51,807	9,243	61,050
Contracted services	568,493	75,818	644,311
Customer expenses	26,765	-	26,765
Employer training expenses	1,861,483	-	1,861,483
Service providers - non-customer expenses	2,956,928	-	2,956,928
Service providers - customer expenses	607,122	-	607,122
Total expenses	$ 7,522,014	$ 336,973	$ 7,858,987

	2023		
	Program Activities	Management & General	Total
Expenses:			
Salaries and benefits	$ 1,875,812	$ 236,505	$ 2,112,317
Travel, training and conferences	53,983	1,138	55,121
Space and insurance costs	387,087	21,296	408,383
Telephone and internet	43,340	1,687	45,027
Supplies, postage and delivery fees	10,157	1,176	11,333
Equipment, leases and maintenance	66,188	7,398	73,586
Contracted services	475,228	59,846	535,074
Customer expenses	585,289	-	585,289
Employer training expenses	1,003,880	-	1,003,880
Service providers - non-customer expenses	1,269,778	-	1,269,778
Service providers - customer expenses	151,401	-	151,401
Total expenses	$ 5,922,143	$ 329,046	$ 6,251,189

See accompanying notes to financial statements.

Northeast Indiana Works, Inc.

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Changes in cash:		
Cash flows from operating activities:		
Changes in net assets	$ (200,493)	$ 10,875
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Non-cash lease expense	472,547	445,058
Changes in operating assets and liabilities:		
Grants receivable	(388,852)	126,839
Other receivables	5,416	17,155
Prepaid expenses	3,428	(4,830)
Accounts payable	740,129	111,440
Operating lease liabilities	(467,707)	(437,804)
Accrued payroll and related expenses	(32,361)	(2,809)
Refundable advances	304,519	(91,780)
Net cash from operating activities	436,626	174,144
Changes in cash	436,626	174,144
Cash at beginning of year	482,472	308,328
Cash at end of year	$ 919,098	$ 482,472
Supplemental schedule of other cash activity:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 504,954	$ 483,391
Supplemental disclosure of noncash operating activities:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 14,903	$ 27,145
Net right of use asset remeasurement	$ 171,461	$ 0

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, 2024 and 2023, over 93% 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 of America (GAAP).

Classification of Net Assets

Net assets and revenues, 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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

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

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 Expenses

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 present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Other shared operating costs are allocated based on direct salaries.

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, 2024 and 2023, the partners included in the IFA paid $169,216 and $194,724, 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.

Lease Accounting

NEINW is a lessee in multiple noncancelable operating leases. If the contract provides NEINW the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

NEINW has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

For all underlying classes of assets, NEINW has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that NEINW is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. NEINW recognizes short-term lease cost on a straight-line basis over the lease term.

NEINW made an accounting policy election for all assets to not separate the lease components of a contract and its associated non-lease components such as lessor provided maintenance.

Subsequent Events

Subsequent events have been evaluated through December 26, 2024, 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 12 months of the statement of financial position date, comprise the following for NEINW as of June 30:

	2024	2023
Cash	$ 919,098	$ 482,472
Less: refundable advances	383,897	79,378
Less: cash included in net assets with donor restrictions	41,990	162,078
Totals	$ 493,211	$ 241,016

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 $4,435,000 at June 30, 2024, as disclosed in Note 8.

Note 4: Grants Receivable

Grants receivable are as follows at June 30:

	2024	2023
Indiana Department of Workforce Development	$ 927,941	$ 508,281
Tecumseh Area Partnership, Inc.	621	-
Schwab Foundation	-	75,000
Region 8 Education Service Center	44,514	943
Totals	$ 973,076	$ 584,224

Note 5: Refundable Advances

Refundable advances are as follows at June 30:

	2024	2023
Indiana Department of Workforce Development	$ 383,897	$ -
Dekko Foundation	-	78,079
Tecumseh Area Partnership, Inc.	-	824
Other sources	-	475
Totals	$ 383,897	$ 79,378

Note 6: Leases

NEINW leases office space and office equipment. The majority of leases entered into include one or more options to renew. The renewal terms can extend the lease term from one to three years. The exercise of lease renewal options is at NEINW's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

NEINW's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments plus, for a few of NEINW’s leases, variable payments. A few of NEINW’s office space leases require it to make variable payments for their proportionate share of the building’s property taxes, insurance, and common area maintenance. NEINW made an accounting policy election for all assets to not separate the lease components of a contract and its associated non-lease components such as lessor provided maintenance

Note 6: Leases (Continued)

Components of lease expense were as follows for the year ended June 30:

	2024	2023
Lease cost:		
Operating lease cost	$ 310,743	$ 253,515
Variable lease cost	37,245	45,588
Short-term lease cost	15,036	26,569
Total lease cost	$ 363,024	$ 325,672

Supplemental statement of financial position information related to leases is as follows as of June 30:

	2024	2023
Weighted-average remaining lease term - Operating Leases	2.51 years	2.69 years
Weighted-average discount rate - Operating leases	3.91 %	3.67 %

Future maturities of lease liabilities are as follows as of June 30, 2024:

2025	$ 501,504
2026	267,415
2027	59,942
Total lease payments	828,861
Less imputed interest	(20,575)
Total	$ 808,286

Note 7: Retirement Plan

NEINW has 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 NEINW. For the years ended June 30, 2024 and 2023, 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, 2024 and 2023, was $44,380 and $72,953. Forfeitures of $7,162 and $7,984 were used to fund a portion of the employer contributions for the years ended June 30, 2024 and 2023, respectively.

Note 8: Grant Awards

At June 30, 2024, NEINW had commitments under various grants of approximately $4,435,000. 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 9: Related Parties

Two members of the Board of Directors are employed at entities that provide funding to NEINW. The first 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 approximately $7,344,000 and $5,827,000 for the years ended June 30, 2024 and 2023, respectively. See Note 4 for more information about grants receivable due from IN DWD as of June 30, 2024 and 2023 as well as the Note 5 refundable advances for June 30, 2024. The second member is employed by the Don Wood Foundation.

A third member is employed by Ivy Tech Community College, an approved training provider in northeast Indiana that NEINW utilizes. A fourth member of the Board of Directors is an employee of Impact Institute, an entity sub-leasing office space to NEINW. Four members of the Board of Directors are employed at companies which received training funds through the state sponsored Employer Training Grant. These employers are Ashley Industrial Molding, Inc., General Motors/Marion Metal Center, Team Quality Services, and DOT America, Inc. One member of the Board of Directors is employed by Plumbers and Steamfitters Local 166, an approved training provider through the Apprenticeship Building America Grant. One member of the Board of Directors is employed by Parkview Health, an affiliated organization of Parkview Occupational Health Center, which provides professional services 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:

	2024		2023	
	Accounts Payable	Expenditures	Accounts Payable	Expenditures
Ivy Tech Community College	$ 3,468	$ 3,468	$ 16,830	$ 108,285
Impact Institute	-	6,000	-	6,000
Ashley Industrial Molding, Inc.	42,575	42,575	-	26,441
Parkview Occupational Health Center	-	68	-	34
Marion Metal Center	-	-	-	49,999
Team Quality Services	20,500	63,000	-	50,000
DOT America, Inc.	50,000	50,000	-	50,000
Plumbers and Steamfitters Local 166	13,940	13,940	-	-
Totals	$ 130,483	$ 179,051	$ 16,830	$ 290,759

Note 10: Net Assets with Donor Restriction

Net assets with donor restrictions were available for the following programs as of June 30:

	2024	2023
Schwab Foundation	$ -	$ 75,000
Website	1,321	1,321
Veteran's job fair	1,618	1,618
Medical loss ratio refund	1,078	1,078
Manufacturing awareness campaign	37,973	158,061
Totals	$ 41,990	$ 237,078

During the years ended June 30, 2024 and 2023, net assets with donor restrictions of $195,088 and $71,787 were released from restriction through satisfaction of purpose restrictions.

Supplementary Information

Northeast Indiana Works, Inc.

Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

Year Ended June 30, 2024

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF LABOR						
WIOA Cluster						
17.258	WIOA2203	WIOA Adult Program	IN Dept. of Workforce Development	07/01/22-06/30/24	$ 411,163	$ 499,300
17.258	WIOA2303	WIOA Adult Program	IN Dept. of Workforce Development	07/01/23-06/30/25	366,499	344,715
17.258	BC2303	WIOA Adult Program	IN Dept. of Workforce Development	07/01/23-06/30/24	-	60,000
		Total Federal Expenditures AL #17.258			**777,662**	**904,015**
17.259	WIOA2203	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/22-06/30/24	548,824	803,508
17.259	WIOA2303	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/23-06/30/25	417,870	379,616
17.259	BC2303	WIOA Youth Activities	IN Dept. of Workforce Development	07/01/23-06/30/24	-	60,000
		Total Federal Expenditures AL #17.259			**966,694**	**1,243,124**
17.278	WIOA2203	WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	07/01/22-06/30/24	-	607,419
17.278	WIOA2303	WIOA Dislocated Worker Formula	IN Dept. of Workforce Development	07/01/23-06/30/25	-	356,130
17.278	PSG2203	WIOA Dislocated Worker Formula	IN Dept. of WorkforceDevelopment	08/01/22-12/31/23	6,153	39,964
		Total Federal Expenditures AL #17.278			**6,153**	**1,003,513**
		Total Federal Expenditures WIOA Cluster AL #17.258, #17.259, #17.278			**1,750,509**	**3,150,652**
17.245	TAAOJT2203	Trade Adjustment Assistance	IN Dept. of Workforce Development	10/01/22-09/30/23	-	2,672
17.245	TAAOJT2303	Trade Adjustment Assistance	IN Dept. of Workforce Development	01/24/24-09/30/24	-	8,443
		Total Federal Expenditures AL #17.245			**-**	**11,115**
17.285	ABA2203	Apprenticeship Building America	IN Dept. of Workforce Development	07/01/22-05/15/26	-	26,760
		Total Federal Expenditures AL #17.285			**-**	**26,760**
17.268	R3-RHG-603-20	H-1B Rural Healthcare Grant Program	Tecumseh Area Partnership	02/01/21-01/31/25	53,276	57,111
		Total Federal Expenditures AL #17.268			**53,276**	**57,111**
17.225	RESEA2203	Unemployment Insurance	IN Dept. of Workforce Development	01/01/22-09/30/23	93,010	154,232
17.225	RESEA2303	Unemployment Insurance	IN Dept. of Workforce Development	01/01/23-09/30/24	386,667	599,913
		Total Federal Expenditures AL #17.225			**479,677**	**754,145**
				DEPARTMENT OF LABOR TOTAL	**$ 2,283,462**	**$ 3,999,783**

Northeast Indiana Works, Inc.

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

Year Ended June 30, 2024

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Passed Through to Subrecipients	Expenditures
DEPARTMENT OF EDUCATION						
84.126	PRETS2303	Rehabilitation Services Vocational Rehabilitation Grants to States	IN Dept. of Workforce Development	07/01/23-12/31/24	$ 79,225	$ 79,225
		Total Federal Expenditures AL #84.126			**79,225**	**79,225**
84.425U	67259	Elementary and Secondary School Emergency Relief Fund	Region 8 Education Service Center	05/01/23-09/30/24	-	178,588
		Total Federal Expenditures AL #84.425U			-	**178,588**
				DEPARTMENT OF EDUCATION TOTAL	**79,225**	**257,813**
DEPARTMENT OF HELATH AND HUMAN SERVICES						
93.558	JAGTANF2303	Temporary Assistance for Needy Families	IN Dept. of Workforce Development	09/01/23-03/30/25	**174,803**	**179,066**
		Total Federal Expenditures AL #93.558				
				DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL	**174,803**	**179,066**
		Total Federal Expenditures			**2,537,490**	**4,436,662**
STATE AND LOCAL PROGRAMS						
INDIANA STATE FUNDS FROM INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT						
N/A	JAG2203	Jobs for America's Graduates	IN Dept. of WorkforceDevelopment	07/01/22-12/31/23	287,514	301,753
N/A	JAG2303	Jobs for America's Graduates	IN Dept. of Workforce Development	07/01/23-12/31/24	410,811	537,136
N/A	NLJETG2103	Next Level Jobs Employer Training Grant	IN Dept. of Workforce Development	05/01/21-09/30/24	-	1,168,968
N/A	NLJETG2303	Next Level Jobs Employer Training Grant	IN Dept. of Workforce Development	07/01/23-12/31/24	48	734,893
N/A	WRG2303	Next Level Jobs Workforce Ready Grant	IN Dept. of Workforce Development	07/01/23-06/30/24	388,901	400,610
		Total Indiana Expenditures			**1,087,274**	**3,143,360**
LOCAL AND OTHER PROGRAMS						
N/A		Manufacturing Awareness Campaign	Don Wood Foundation	10/21/21-10/31/24	-	120,088
N/A		Your Future Make It Your Own Career Awareness Campaign - Round 2	Dekko Foundation	03/01/23-02/29/24	-	78,079
N/A		Career Awareness Campaign	Schwab Foundation	03/01/22-12/31/23	-	75,000
N/A	NA	Corporate Expenses	N/A	07/01/23-06/30/24	-	5,798
		Total Local and Other Expenditures			**-**	**278,965**
		Total Expenditures			**$ 3,624,764**	**$ 7,858,987**

Notes to Schedule of Expenditures of Federal and State Awards and Other Financial Assistance

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards and other financial assistance (the "Schedule") includes the federal, state and other award activity of Northeast Indiana Works, Inc. under programs of the federal and state government and other sources for the year ended June 30, 2024. 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.

See Independent Auditor's Report.

WIPFLI

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*

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

We have audited, 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, the financial statements of Northeast Indiana Works, Inc., which comprise the statement of financial position as of June 30, 2024 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 26, 2024.

Report on 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 the 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 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 or significant deficiencies may exist that have not been identified.

WIPFLI

Report on 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin

December 26, 2024

WIPFLI

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northeast Indiana Works, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. Northeast Indiana Works, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northeast Indiana Works, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northeast Indiana Works, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northeast Indiana Works, Inc.'s federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northeast Indiana Works, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *Generally Accepted Auditing Standards* (GAAS), *Government Auditing Standards* and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northeast Indiana Works, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northeast Indiana Works, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Northeast Indiana Works, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Northeast Indiana Works, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

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.

Wipfli LLP

Wipfli LLP
Madison, Wisconsin

December 26, 2024

Northeast Indiana Works, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes ___X___ No
- Significant deficiency(ies) identified? _____ Yes ___X___ None Reported

Noncompliance material to financial statements noted? _____ Yes ___X___ No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? _____ Yes ___X___ No
- Significant deficiency(ies) identified? _____ Yes ___X___ 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 2 CFR 200.516(a)? _____ Yes ___X___ No

Identification of major federal programs

AL Number(s)	Name of Federal Program or Cluster
17.258, 17.259, 17.278	WIOA Cluster
17.225	Unemployment Insurance

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ___X___ Yes _____ No

Section II - Financial Statement Findings

No findings related to the financial statements.

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs related to federal awards.

Section IV - Summary Schedule of Prior Year Findings

No prior year findings related to the financial statements.