



FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2021 and 2020

Draft

CONTENTS

Independent Auditor's Report..... 1

Statements of Financial Position 3

Statements of Activities 4

Statements of Functional Expenses 5

Statements of Cash Flows..... 7

Notes to Financial Statements..... 8

Schedule of Expenditures of Federal Awards 13

Notes to Schedule of Expenditures of Federal Awards..... 15

Summary Schedule of Prior Audit Findings..... 16

DHS Cost Reimbursement Award Schedule 17

Schedule of Revenues and Expenses by Funding Source 19

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 21

Independent Auditor's Report on Compliance for Major Federal Program and on Internal Control
over Compliance Required by the Uniform Guidance and the *State Single Audit Guidelines* 23

Schedule of Findings and Questioned Costs 25

INDEPENDENT AUDITOR'S REPORT

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Southwest Wisconsin Workforce Development Board, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Southwest Wisconsin Workforce Development Board, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* and is not a required part of the financial statements. The accompanying supplementary information on pages 17-20 is presented for purposes of additional analysis and is also 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 November 8, 2021 on our consideration of Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting and compliance.

Wegner CPAs, LLP
Madison, Wisconsin
November 8, 2021

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 599,819	\$ 647,867
Accounts receivable	152,588	169,002
Grants receivable	806,100	605,621
Prepaid expenses	57,924	60,183
Equipment (less accumulated depreciation of \$129,756 and \$107,502, respectively)	<u>40,384</u>	<u>34,735</u>
Total assets	<u><u>\$ 1,656,815</u></u>	<u><u>\$ 1,517,408</u></u>
LIABILITIES		
Accounts payable	\$ 99,702	\$ 122,695
Accrued expenses	76,151	66,235
Refundable advances	<u>333,473</u>	<u>336,473</u>
Total liabilities	509,326	525,403
NET ASSETS		
Without donor restrictions	<u>1,147,489</u>	<u>992,005</u>
Total liabilities and net assets	<u><u>\$ 1,656,815</u></u>	<u><u>\$ 1,517,408</u></u>

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
 Years Ended June 30, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Government grants	\$ 3,318,869	\$ 3,449,599
Leased employee revenue	876,274	764,104
Program service revenue	277,959	324,729
Total revenue without donor restrictions	4,473,102	4,538,432
EXPENSES		
Program services		
WIOA	1,018,571	1,057,439
SCSEP	344,307	345,924
FSET	1,380,544	1,525,615
Windows to Work	63,487	66,762
Leased employees	818,994	714,060
Other program services	278,759	230,647
Supporting activities		
Management and general	412,956	465,976
Total expenses	4,317,618	4,406,423
Change in net assets	155,484	132,009
Net assets at beginning of year	992,005	859,996
Net assets at end of year	\$ 1,147,489	\$ 992,005

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services					Supporting Activities		Total Expenses
	WIOA	SCSEP	FSET	Windows to Work	Leased Employees	Other Program Services	Management and General	
Grants and allocations	\$ 469,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,312
Assistance to individuals	272,174	-	300,332	6,064	43	38,256	-	616,869
Salaries and wages	178,841	293,913	681,647	36,713	659,034	152,817	226,197	2,229,162
Employee benefits	31,184	18,680	124,640	9,387	84,551	38,293	71,288	378,023
Payroll taxes	13,879	22,231	53,145	2,773	54,223	11,171	16,383	173,805
Professional fees	5,206	1,139	24,550	1,166	-	6,516	21,392	59,969
Supplies	3,642	260	16,766	734	-	2,345	8,384	32,131
Telephone/connectivity	14,566	2,747	43,888	1,081	-	4,464	7,640	74,386
Occupancy	15,578	2,586	63,490	3,433	-	11,681	16,764	113,532
Equipment-rent, maint, buy	902	118	2,257	199	-	498	1,101	5,075
Travel	2,407	1,433	9,834	489	17,940	2,207	4,880	39,190
Conferences and meetings	317	34	658	21	-	94	390	1,514
Other	10,563	1,166	59,337	1,427	3,203	10,417	38,537	124,650
Total expenses	\$ 1,018,571	\$ 344,307	\$ 1,380,544	\$ 63,487	\$ 818,994	\$ 278,759	\$ 412,956	\$ 4,317,618

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services					Supporting Activities		Total Expenses
	WIOA	SCSEP	FSET	Windows to Work	Leased Employees	Other Program Services	Management and General	
Grants and allocations	\$ 528,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528,196
Assistance to individuals	337,882	-	459,392	12,553	31	7,375	-	817,233
Salaries and wages	122,834	293,531	699,495	30,646	577,018	114,962	263,470	2,101,956
Employee benefits	26,472	19,236	132,115	6,179	58,858	35,988	78,186	357,034
Payroll taxes	9,584	22,278	56,555	2,487	49,429	8,696	19,231	168,260
Professional fees	122	42	893	29	-	36,253	14,917	52,256
Supplies	2,283	482	14,086	1,131	-	1,819	9,135	28,936
Telephone/connectivity	11,261	3,983	40,640	1,120	-	3,372	7,587	67,963
Occupancy	10,050	2,786	64,903	4,090	-	9,610	20,417	111,856
Equipment-rent, maint, buy	514	119	2,470	250	-	392	1,330	5,075
Travel	2,064	2,361	19,243	6,805	26,976	5,278	4,996	67,723
Conferences and meetings	3,058	58	6,968	311	-	983	4,167	15,545
Other	3,119	1,048	28,855	1,161	1,748	5,919	42,540	84,390
Total expenses	\$ 1,057,439	\$ 345,924	\$ 1,525,615	\$ 66,762	\$ 714,060	\$ 230,647	\$ 465,976	\$ 4,406,423

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 155,484	\$ 132,009
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	22,254	21,618
(Increase) decrease in assets		
Accounts receivable	16,414	(51,708)
Grants receivable	(200,479)	52,434
Prepaid expenses	2,259	(16,866)
Increase (decrease) in liabilities		
Accounts payable	(22,993)	(14,314)
Accrued expenses	9,916	7,835
Refundable advances	(3,000)	(2,000)
Net cash flows from operating activities	(20,145)	129,008
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(27,903)	(30,250)
Net change in cash	(48,048)	98,758
Cash at beginning of year	647,867	549,109
Cash at end of year	<u>\$ 599,819</u>	<u>\$ 647,867</u>

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of Activities**

Southwest Wisconsin Workforce Development Board, Inc. is a collaboration of public and private leaders who oversee a workforce development system that (a) continuously identifies and addresses the needs of businesses and individuals, (b) equips individuals with the skills and knowledge that employers require, and (c) provides the support systems necessary for increased economic self-sufficiency. The Organization serves the counties of Grant, Green, Iowa, Lafayette, Richland, and Rock. Comprehensive services for employers and job seekers may be obtained through the Rock County Job Center in Janesville or the Job Center located at the Southwest Wisconsin Technical College in Fennimore. Services may also be obtained through the Organization's Virtual Job Center website. The Organization's programs and activities are primarily funded by FoodShare Employment and Training (FSET) funds passed through the Wisconsin Department of Health Services (DHS) and Workforce Innovation and Opportunity Act (WIOA) funds passed through the Wisconsin Department of Workforce Development (DWD).

Accounts Receivable

Accounts receivable primarily represent amounts that have been billed under contracts for leased employees and other employment-related services provided by the Organization. Accounts receivable are reported at the amount management expects to collect from outstanding balances. As of June 30, 2021 and 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Equipment

All acquisitions of equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Government Grants

The Organization receives grants from government agencies that are conditioned upon the Organization incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Organization, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Service Revenue

The Organization provides employee leasing and other employment-related services to individuals, companies, and government agencies. The Organization provides these services primarily under contracts with government agencies and other institutions. Revenue from these services is recognized at the point in time when the Organization provides the particular service. The Organization also generally bills the government agency or employer at this time.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, and occupancy, which are allocated on the basis of estimates of time and effort. All other expenses are allocated based upon the types of services performed and expenses incurred.

The following program services and supporting activities are included in the accompanying financial statements:

WIOA—Workforce Innovation and Opportunity Act adult and dislocated workers programs seek to improve employment, retention, and earnings of WIOA participants and increase their educational and occupational skill attainment, thereby improving the quality of the workforce, reducing welfare dependency, and enhancing national productivity and competitiveness. Youth activities seek to increase the attainment of basic skills, work readiness, or occupational skills, and secondary diplomas or other credentials. A person is eligible to receive services under youth activities if they are between the ages of fourteen and twenty-one at the time of enrollment and demonstrate at least one of the following barriers to employment: deficient in basic literacy skills, a school dropout, homeless, a runaway, a foster child, pregnant or parenting, offender, or an individual who requires additional assistance to complete an educational program or to secure and hold employment.

SCSEP—The Senior Community Service Employment Program provides, fosters, and promotes useful part-time work opportunities (usually twenty hours per week) in community service activities for low-income persons who are age fifty-five or older. To the extent feasible, the program assists and promotes the transition of program enrollees into unsubsidized employment.

FSET —The FoodShare Employment and Training program provides services to prepare individuals for the world of work with the goal that they might obtain and maintain viable, self-sustaining employment thereby allowing them to remain eligible for their food share benefits or wean themselves off those benefits entirely.

Windows to Work—A pre- and post-release program designed to address criminogenic needs that can lead to recidivism including employment, education, anti-social cognition, anti-social personality, and anti-social companions.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased Employees—The leased employee program provides the necessary and appropriate service to prepare individuals to work and to obtain and maintain viable, self-sustaining employment.

Other program services—Other programs that strengthen the workforce programs in Grant, Green, Iowa, Lafayette, Richland, and Rock Counties.

Management and general—Management and general expenses include the costs necessary to ensure proper administrative functioning of the board membership, manage the financial and budgetary responsibilities of the Organization, and perform other administrative activities.

Immaterial amounts of grant writing expenses, which includes the costs incurred in soliciting bequests and grants from foundations or other organizations or government grants reportable as contributions, are included in management and general expenses.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through November 8, 2021, the date which the financial statements were available to be issued.

NOTE 2—CONDITIONAL GRANTS

The Organization has several grants that are conditioned upon the Organization incurring qualifying expenses under the grant programs. At June 30, 2021 and 2020, these conditional grants total approximately \$6,400,000 and \$3,600,000, respectively. These conditional grants will be recognized as revenues when the respective conditions are met in future years. The Organization has also authorized a subrecipient grant to be given to subrecipients totaling approximately \$514,000 and \$557,670 at June 30, 2021 and 2020 conditioned upon the subrecipients incurring certain qualifying expenses.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE 3—ECONOMIC DEPENDENCY

The Organization receives approximately 35% of its funding from the U.S. Department of Agriculture passed through the Wisconsin Department of Health Services. Also, the Organization receives approximately 27% of its funding from the U.S. Department of Labor passed through Wisconsin Department of Workforce Development.

NOTE 4—RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering all employees that work a minimum of twenty hours per week and are age twenty-one or older. The Organization makes a contribution to the plan each year equal to 4% of the participant's compensation. In addition, the Organization matches 50% of the participant's contributions up to 8% of the participant's compensation. Total expense for the years ended June 30, 2021 and 2020 was \$83,897 and \$76,172, respectively.

NOTE 5—LEASES

The Organization leases space for its administrative offices and program operations under operating leases that expire at various dates through May 31, 2024. These leases generally require the Organization to pay all executory costs such as maintenance and utilities. These leases also include a clause that allows the Organization to terminate or renegotiate the lease in the event the Organization's funding is substantially reduced. The Organization also leases a storage unit on a month-to-month basis. Total lease expense was \$100,122 and \$94,611 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2021, are:

2022	\$	99,651
2023		46,661
2024		<u>27,500</u>
Total	\$	<u>173,812</u>

NOTE 6—LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the date of the statement of financial position for general expenditures are as follows:

	2021	2020
Cash	\$ 599,819	\$ 647,867
Accounts receivable	152,588	169,002
Grants receivable	<u>806,100</u>	<u>605,621</u>
	<u>\$ 1,558,507</u>	<u>\$ 1,422,490</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 7—EFFECTS OF THE COVID-19 PANDEMIC

The Organization's operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on the Organization is uncertain; however, it may result in a material adverse impact on the Organization's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's donors and revenues, absenteeism in the Organization's workforce, unavailability of supplies used in the Organization's programs, and a decline in value of assets held by the Organization.

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SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
SNAP Cluster				
Department of Agriculture Wisconsin Department of Health Services—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	435400-O19-065	\$ -	\$ 1,519,931
Department of Agriculture Wisconsin Department of Health Services—COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	435400-O19-065	-	12,020
Total SNAP Cluster			-	1,531,951
WIOA Cluster				
Department of Labor Wisconsin Department of Workforce Development— WIOA Adult Program	17.258	3787, 3789, 3812, 3814, 3858, 3880	126,668	257,245
Wisconsin Department of Workforce Development— WIOA Youth Activities	17.259	3787, 3788, 3812, 3813, 3880	215,204	399,348
Wisconsin Department of Workforce Development— WIOA Dislocated Worker Formula Grants	17.278	3787, 3790, 3795, 3812, 3815, 3854, 3859, 3858, 3880, 3893, 3921. 3966, 3967	58,181	215,225
Department of Labor Wisconsin Department of Workforce Development— COVID-19 WIOA Adult Program	17.258	3880	-	20,294
Wisconsin Department of Workforce Development— COVID-19 WIOA Youth Activities	17.259	3880	-	20,294
Wisconsin Department of Workforce Development— COVID-19 WIOA Dislocated Worker Formula Grants	17.278	3880	-	20,293
Total WIOA Cluster			400,053	932,699

See notes to schedule of expenditures of federal awards.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Other Programs				
Department of Labor				
Wisconsin Department of Health Services—Senior Community Service Employment Program	17.235	435100-G21-225466- 190	-	379,273
Wisconsin Department of Workforce Development— H-1B Job Training Grants	17.268	3631, 3631A, 3631B, 3731	-	17,635
Wisconsin Department of Workforce Development— WIOA National Emergency Grants/ WIA National Emergency Grants	17.277	3753, 3903 3916, 3961	69,258	240,682
Department of Health and Human Services				
Workforce Development Board of South Central Wisconsin— John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	19-522-2020, 20-522-2021	-	82,438
Workforce Development Board of South Central Wisconsin— COVID-19 Foster Care Title IV-E	93.658	20-522-2021	-	15,733
Total expenditures of federal awards			<u>\$ 469,311</u>	<u>\$ 3,200,411</u>

See notes to schedule of expenditures of federal awards.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

NOTE 1—BASIS OF PRESENTATION

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3—INDIRECT COST RATE

Southwest Wisconsin Workforce Development Board, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

There were no prior audit findings.

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SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
DHS COST REIMBURSEMENT AWARD SCHEDULE
FOODSHARE EMPLOYMENT AND TRAINING SERVICES
Year Ended June 30, 2021

DHS identification number	435400-O19-0659FST-RG11-01 R1
Award amount	\$1,972,748
Award period	10/1/20-9/30/21
Period of award within audit period	<u>10/1/20-9/30/21</u>
A. Expenditures reported to DHS for payment or revenue received	\$ 1,531,952
B. Total operating costs of award	
Assistance to individuals	300,332
Salaries and wages	759,762
Employee benefits	148,391
Payroll taxes	58,756
Professional fees	36,551
Supplies	18,926
Telephone	46,420
Occupancy	69,033
Equipment rental and maintenance	2,613
Travel	11,501
Conferences and meetings	806
Other	<u>78,861</u>
B. Total operating costs of awards	<u>\$ 1,531,952</u>
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	-
E. Total allowable costs	<u>\$ 1,531,952</u>
F. Gain or (Loss)	<u>\$ -</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
DHS COST REIMBURSEMENT AWARD SCHEDULE
TITLE V-SCSEP: SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM
Year Ended June 30, 2021

DHS identification number	435100-G21-225466-190
Award amount	\$406,539
Award period	7/1/20-6/30/21
Period of award within audit period	<u>7/1/20-6/30/21</u>
A. Expenditures reported to DHS for payment or revenue received	\$ 379,273
B. Total operating costs of award	
Assistance to individuals	-
Salaries and wages	314,623
Employee benefits	24,556
Payroll taxes	23,744
Professional fees	2,399
Supplies	953
Telephone	3,477
Occupancy	4,205
Equipment rental and maintenance	232
Travel	1,811
Conferences and meetings	83
Other	<u>3,190</u>
B. Total operating costs of awards	<u>\$ 379,273</u>
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	-
E. Total allowable costs	<u>\$ 379,273</u>
F. Gain or (Loss)	<u>\$ -</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE
Year Ended June 30, 2021

Wisconsin Department of Workforce Development

	WIOA Title 1 Administration	WIOA Title 1 Adult	WIOA Title 1 Youth	WIOA Title I Dislocated Worker	Rapid Response	ERDWG	STC / Opioid	Retail DWG NEG	WAGE\$	Youth Apprentice
REVENUES										
Government grants	\$ 122,616	\$ 236,667	\$ 378,769	\$ 81,599	\$ 113,048	\$ 97,766	\$ 132,681	\$ 10,235	\$ 17,635	\$ 48,333
Leased employee revenue	-	-	-	-	-	-	-	-	-	-
Program service revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	122,616	236,667	378,769	81,599	113,048	97,766	132,681	10,235	17,635	48,333
EXPENSES										
Grants and allocations	-	126,669	215,204	45,196	12,985	43,813	25,445	-	-	-
Specific assistance to individuals	-	80,779	65,545	18,085	28,475	38,276	31,098	9,915	-	11,774
Salaries and wages	70,393	17,977	62,747	7,828	50,449	12,271	49,035	34	11,721	25,120
Employee benefits	21,216	2,989	13,118	1,537	11,697	3,172	5,053	76	2,551	5,344
Payroll taxes	5,083	1,388	4,791	587	3,731	910	4,025	12	818	1,929
Professional fees	3,070	490	1,986	225	1,713	256	2,029	17	332	1,313
Supplies	1,363	356	1,315	83	1,043	146	1,139	12	172	275
Telephone	2,073	2,950	4,213	2,544	1,748	258	3,385	53	307	688
Occupancy	4,515	1,538	6,140	516	3,567	646	4,453	66	981	2,257
Equipment rental and maintenance	270	97	375	24	148	37	306	3	21	95
Travel	1,489	142	252	98	1,140	179	990	5	36	149
Conferences and meetings	78	17	70	17	87	4	140	-	9	31
Other	13,066	1,275	3,013	4,859	(3,735)	(2,202)	5,583	42	687	(642)
Total expenses	122,616	236,667	378,769	81,599	113,048	97,766	132,681	10,235	17,635	48,333
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE
Year Ended June 30, 2021

	Wisconsin Department of Corrections	Workforce Developmen Board of South Central Wisconsin	Wisconsin Department of Health Services		Green County	Richland County	Grant County	Other	Total
			Title V-SCSEP	FSET					
REVENUES									
Government grants	\$ 70,124	\$ 98,171	\$ 379,273	\$ 1,531,952	\$ -	\$ -	\$ -	\$ -	\$ 3,318,869
Leased employee revenue	-	-	-	-	312,522	400,931	105,541	57,280	876,274
Program service revenue	-	-	-	-	-	-	-	277,959	277,959
Total revenues	70,124	98,171	379,273	1,531,952	312,522	400,931	105,541	335,239	4,473,102
EXPENSES									
Grants and allocations	-	-	-	-	-	-	-	-	469,312
Specific assistance to individuals	6,064	26,460	-	300,332	8	35	-	23	616,869
Salaries and wages	40,014	41,011	314,623	759,762	246,155	321,228	91,651	107,143	2,229,162
Employee benefits	10,544	15,419	24,556	148,391	32,763	47,266	4,523	27,808	378,023
Payroll taxes	3,001	2,917	23,744	58,756	19,916	26,943	7,364	7,891	173,806
Professional fees	1,566	1,391	2,399	36,551	-	-	-	6,632	59,970
Supplies	859	449	953	18,926	-	-	-	5,040	32,131
Telephone	1,268	1,181	3,477	46,420	-	-	-	3,822	74,387
Occupancy	3,716	3,395	4,205	69,033	-	-	-	8,504	113,532
Equipment rental and maintenance	218	147	232	2,613	-	-	-	489	5,075
Travel	546	1,175	1,811	11,501	12,697	3,308	1,935	1,737	39,190
Conferences and meetings	27	21	83	806	-	-	-	124	1,514
Other	2,301	4,605	3,190	78,861	983	2,151	68	10,542	124,647
Total expenses	70,124	98,171	379,273	1,531,952	312,522	400,931	105,541	179,755	4,317,618
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,484	\$ 155,484

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Wisconsin Workforce Development Board, 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 November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting (internal control) as a basis of 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 Southwest Wisconsin Workforce Development Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wegner CPAs, LLP
Madison, Wisconsin
November 8, 2021

Draft

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE *STATE SINGLE AUDIT GUIDELINES*

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

Report on Compliance for Major Federal Program

We have audited Southwest Wisconsin Workforce Development Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on Southwest Wisconsin Workforce Development Board, Inc.'s major federal program for the year ended June 30, 2021. Southwest Wisconsin Workforce Development Board, 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Southwest Wisconsin Workforce Development Board, 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Guidelines*. Those standards, the Uniform Guidance, and the *Guidelines* 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 Southwest Wisconsin Workforce Development Board, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Southwest Wisconsin Workforce Development Board, Inc.'s compliance.

Opinion on Major Federal Program

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

Report on Internal Control Over Compliance

Management of Southwest Wisconsin Workforce Development Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwest Wisconsin Workforce Development Board, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, 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 Southwest Wisconsin Workforce Development Board, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 the Uniform Guidance and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Wegner CPAs, LLP
Madison, Wisconsin
November 8, 2021

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2021

Section I—Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.258, 17.259, 17.278	WIOA Cluster

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

No matters were reported.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2021

Section IV—Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines* :

Department of Corrections	No
Department of Health Services	No
Department of Workforce Development	No

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of partner

 Scott R. Haumersen, CPA

Date of report

November 8, 2021

Draft