

MEMORANDUM



Date: December 6, 2023
From: Maria Lauck, SWWDB Chairman
To: **SWWDB Members**

PRIVATE SECTOR

Name	Business/Organization	County
Mr. Jason Aarud	JM Aarud Mechanical	Rock
Mr. Ivan Collins	Rock County Central Labor Council	Rock
Mr. Geoff Fricke	Bank of New Glarus	Green
Mr. Kendal Garrison	Lactalis American Group	Lafayette
Mr. Waylon Gross	United Alloy	Rock
Mr. Aaron Jach	Foremost Media	Rock
Mr. Keith Kruse	Tricor Insurance	All
Ms. Jill Liegel	Land's End	Iowa
Mr. Andrew Marcotte	Blain Supply	Rock-All
Mr. Troy Marx	Upland Hills Health	Iowa
Ms. Lisa Omen	Forward Services Corporation	All
Ms. Amy Santas	Stoughton Trailer, LLC	Rock, Green
Mr. David Smith	Grant Regional Health Center	Grant
Mr. Brian Toutant	Steamfitters #601	Green, Iowa, Lafayette, Richland, Rock
Ms. Adrienne Weber	Sabrosura Foods	Green
Mr. Michael Williams	Bricklayers and Allied Craftworkers	All

PUBLIC SECTOR

Name	Organization	County
Ms. Heather Fifrick	SW Wisconsin Technical College	SW Counties
Ms. Linda Hendrickson	Unemployment Insurance Benefit Center	Dane
Ms. Ela Kakde	Wisconsin Economic Development Corporation	Grant
Mr. John Meyers	Iowa County Board Chair & CLEO	Iowa
Mr. James Otterstein	Rock County Economic Development Agency	Rock
Dr. Tracy Pierner	Blackhawk Technical College	Rock, Green
Mr. Dave Shaw	Bureau of Job Service	All
Ms. Andrea Simon	Division of Vocational Rehabilitation	All

RE: Southwest Wisconsin Workforce Development Board Meeting Notice
Wednesday, December 13, 2023, from 2:30 p.m. to 4:30 p.m.
Location: Virtual meeting via GoToMeeting platform

Please join my meeting from your computer, tablet or smartphone.

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Access Code: 841-403-629

United States: [+1 \(408\) 650-3123](tel:+14086503123)

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The Southwest Wisconsin Workforce Development Board meeting is scheduled for Wednesday, December 13, 2023, at the time and place noted above. The agenda for the meeting is attached. An agenda packet will also be attached to the calendar invite.

In the interest of time, please direct questions regarding any of the agenda items or enclosures to Rhonda Suda at (608) 314-3300, Ext. 305 or r.suda@swwdb.org prior to the meeting.

If you are unable to attend the meeting, please contact Katie Gerhards at k.gerhards@swwdb.org or (608) 314-3300, Ext. 230 no later than **2:00 p.m., Tuesday, December 12, 2023.**

Southwest Wisconsin Workforce Development Board (SWWDB) is an Equal Opportunity Employer & Service Provider.

Auxiliary Aids and services are available to individuals with disabilities upon request. If you need this printed material interpreted to a language you understand or in a different format, or need assistance in using this service, please contact us.

For assistance, contact
SWWDB Equal Opportunity Officer
Ryan Schomber
1717 Center Ave.
Janesville, WI 53546
(608) 314-3300 Ext. 303
[Click Here to Email](#)

Deaf, hearing or speech-impaired callers may reach us by the Wisconsin Relay number 711.

Southwest Wisconsin Workforce Development Board, Inc.

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All times are approximate.

● = Action required

AGENDA

2:30 p.m.

1. Welcome; Call to Order; Introduction of New Board Members and Guests

Please welcome new Board Members Waylon Gross, Director of Workforce Development at United Alloy, and Adrienne Weber, Human Resources Business Partner at Sabrosura Foods.

2:35 p.m.

● **2. Approval of Minutes of SWWDB Meeting**

Minutes of the September 13, 2023, SWWDB meeting are contained in [Enclosure 1](#).

Full Board approval of the meeting minutes is requested.

2:40 p.m.

● **3. Financial Reports**

Danielle Thousand will share the SWWDB financial statements representing a draft of the financial condition of the organization through September 30, 2023. The following reports are submitted for review and consideration:

- Balance Sheet – [Enclosure 2](#)
- Statement of Operations – [Enclosure 3](#)

Additionally, SWWDB receives grants and contracts throughout the year that either increase or reduce the originally approved fiscal year budget. Budget modifications for the current Program Year are listed in [Enclosure 4](#).

Approval of the Program Year (PY) 2023-24 financial statements for the period ending September 30, 2023, and PY 2023-24 Budget Modifications is requested.

2:50 p.m.

● **4. Program Year (PY) 2022-23 Audit**

SWWDB administration has received the final draft of the audit report ([Enclosure 5](#)). The Form 990, Return of Organization Exempt from Income Tax, will be presented as [Enclosure 6](#) if complete by the time of this meeting.

As a recipient of federal funding and due to Single Audit Act guidelines, SWWDB is required to have an annual independent audit. Wegner CPAs of Madison conducted the audit of Fiscal Year (FY) 2022-23 records. Wegner staff members completed the audit the week of October 2, 2023.

Danielle Thousand, SWWDB's Finance Manager, prepared the organization's internal financial statements, which were reviewed by Wegner for accuracy and compliance with GAAP standards. The initial draft of the audit does not contain any questioned costs, deficiencies, internal control issues, or accounting process issues.

Wegner CPAs, LLP prepares the Form 990 titled Return of Organization Exempt from Income Tax. The Form 990 is the tax return form that 501(c)3 non-profit organizations prepare annually to report their activities for the year.

Derek Hilst from Wegner CPAs, LLP will discuss the audit and answer any questions from Board members.

Approval of the Fiscal Year (FY) 2022-23 audit report is requested so that SWWDB staff can forward the report to all funding sources in compliance with federal regulations. The Form 990, if complete, also needs approval to be submitted to the Internal Revenue Service (IRS).

5. Old Business

3:00 p.m.

A. WIOA Title 1 Allocation Process

Board member James Otterstein requested a greater explanation of the process used to determine Workforce Innovation and Opportunity Act (WIOA) Title 1 local funding and how SWWDB's funding compares to other workforce boards throughout the state. Rhonda Suda will present this information to the Board and answer questions.

3:15 p.m.

• B. Program Year (PY) 2022-23 Updated Performance

The U.S. Department of Labor reduced the negotiated levels to 50% for the state of Wisconsin. SWWDB exceeded all performance goals for the 2022-23 program year ([Enclosure 7](#)).

6. New Business

3:20 p.m.

• A. 2024 Health Insurance

SWWDB is again faced with challenging renewal options for its employee health plan. Rhonda Suda and Danielle Thousand will review the 2024 employee health insurance options with the Board.

SWWDB is seeking Board action to approve an employee health plan(s) for 2024.

3:30 p.m.

B. Board Recertification

The Department of Workforce Development (DWD) has certified the Southwest Wisconsin Workforce Development Board, Inc. for the period of July 1, 2023, through June 30, 2025 ([Enclosure 8](#)).

3:35 p.m. **C. FoodShare Employment and Training (FSET) Contract**
 SWWDB received notice on December 5, 2023, that it is the successful bidder for the Federal Fiscal Year (FFY) 2025 FoodShare Employment and Training (FSET) contract. Services will begin on October 1, 2024, with the opportunity to renew for an additional four (4) years. The estimated award for the first year is \$1,994,492. The five-year projected award is \$10,543,301.

3:40 p.m. **D. Program Year (PY) 2021-22 WIOA Monitoring Close-Out**
 The Wisconsin Department of Workforce Development (DWD) conducted Program Year (PY) 2021-22 monitoring in January of 2023. DWD identified four (4) Areas of Concern and 19 Findings. All Areas of Concern were resolved. This activity was officially closed out on September 7, 2023 ([Enclosure 9](#)). No disallowed costs were assigned.

7. Committee Updates

3:45 p.m. **A. Ad-hoc Audit Committee Minutes**
 The Ad-Hoc Audit Committee met on October 2, 2023, and October 5, 2023. Minutes of these meetings are provided as [Enclosure 10](#) and [Enclosure 11](#) respectively.

3:50 p.m. • **8. Consent Agenda**

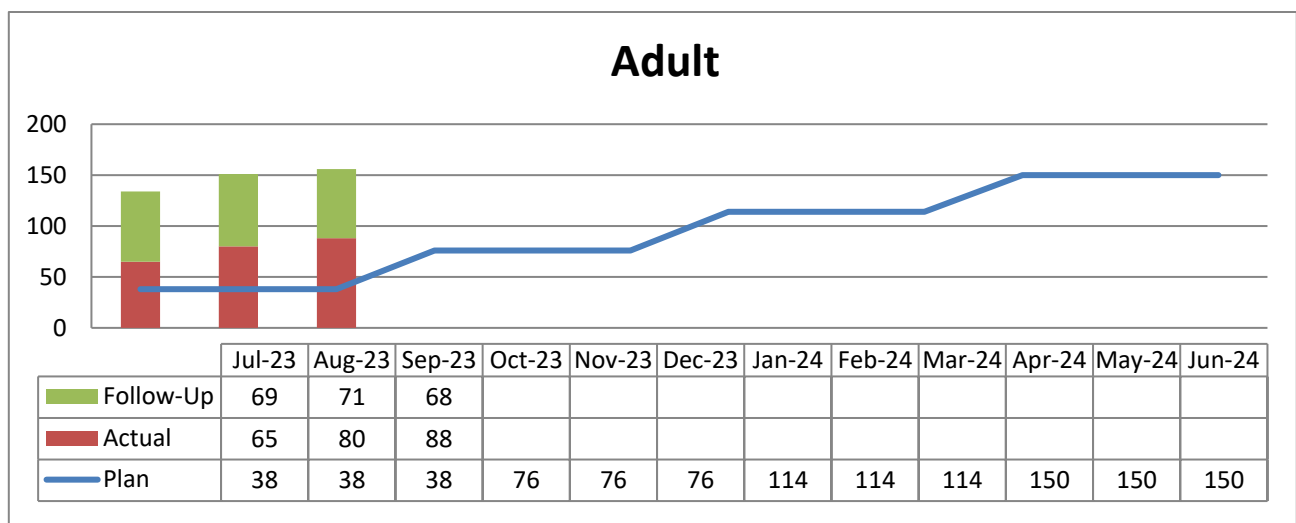
SWWDB's standard consent agenda includes policies and performance reports. These items can be approved in one action, rather than through the filing of multiple motions.

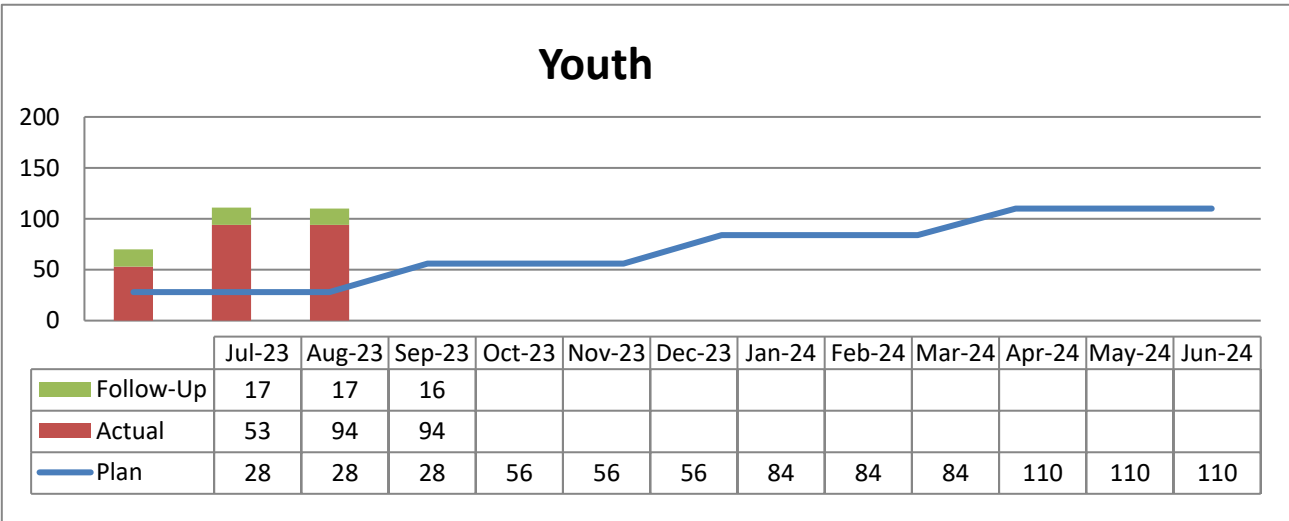
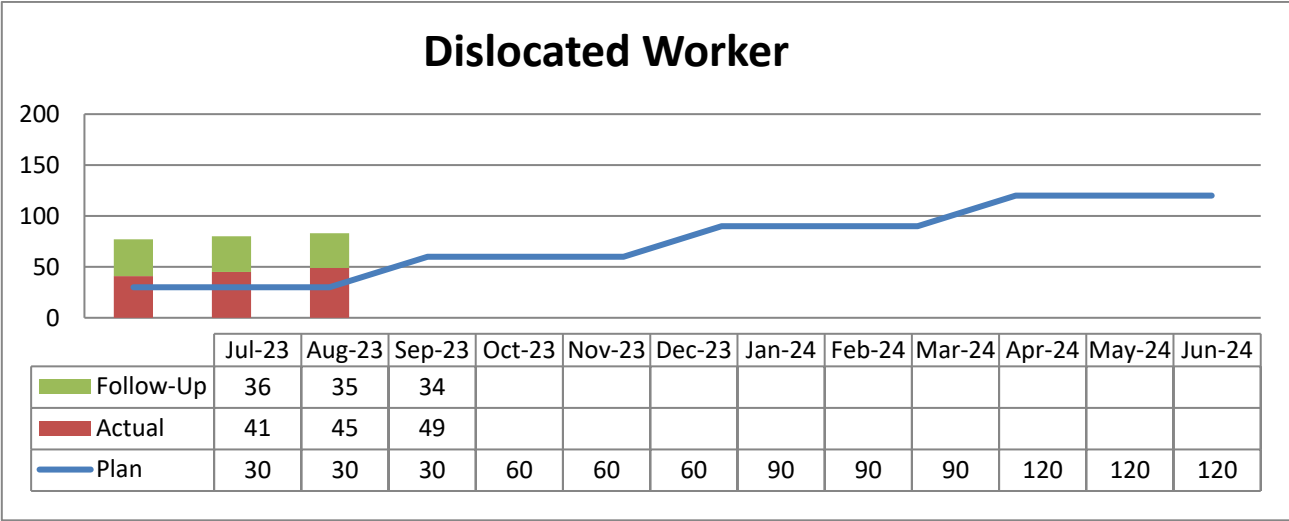
A. Approval of SWWDB Policies and Revisions
[Enclosure 12](#) includes one revised policy:

- E.030 Priority of Service for WIOA Adult Program

B. Performance Reports
WIOA Planned Participation

The Workforce Innovation and Opportunity Act (WIOA) service provider contracts include participation goals. Failure to achieve the stated participation goals, within a 10% variance, requires a corrective action plan. Active and follow-up participants are considered in assessing participation. Manpower is exceeding or meeting all participation goals.





WIOA Performance Measures

WIOA requires performance accountability. The U.S. Department of Labor (DOL) holds state and local areas accountable through the application of performance measures. These performance indicators are an assessment of the effectiveness of the public workforce system at the state and local levels. Every “Titled” program within WIOA utilizes the same performance measures/indicators.

The table below shows WIOA Title 1 performance results that were provided by the Department of Workforce Development (DWD) for the period ending June 30, 2023. SWWDB is “exceeding” 13 measures, “meeting” two (2), and “failing” one (1).

Adult Program				
Indicator	Cohort	Actual Level	Neg. Level	90%
Employment Rate 2nd Quarter after Exit	46/62	74.2%	63%	57%
Employment Rate 4th Quarter after Exit	55/71	77.5%	70%	63%
Median Earnings	46	\$8,517	\$6,000	\$5,400
Credential Attainment Rate	23/32	71.9%	66%	59%
Measurable Skill Gains	42.69	60.9%	55%	50%
Dislocated Worker Program				
Indicator	Cohort	Actual Level	Neg. Level	90%
Employment Rate 2nd Quarter after Exit	32/39	82.1%	72%	65%
Employment Rate 4th Quarter after Exit	51/58	87.9%	76%	68%
Median Earnings	32	\$9,755	\$8,100	\$7,290
Credential Attainment Rate	15/30	50.0%	74%	67%
Measurable Skill Gains	28/45	62.2%	60%	54%
Youth Program				
Indicator	Cohort	Actual Level	Neg. Level	90%
Employment Rate 2nd Quarter after Exit	15-Dec	80.0%	67%	60%
Employment Rate 4th Quarter after Exit	38/55	69.1%	72%	65%
Median Earnings	12	\$4,363	\$3,400	\$3,060
Credential Attainment Rate	36/47	76.6%	50%	45%
Measurable Skill Gains	54/102	52.9%	57%	51%
Exceed Performance Goal		12		
Met Performance Goal		2		
Failed Performance Goal		1		

Performance Period: 4/1/2021 to 9/30/2023

FoodShare Employment and Training

Able-bodied adults without dependents who receive FoodShare benefits are required to meet 80 hours of work requirements every month. Participating in the FoodShare Employment and Training (FSET) program provides one avenue individuals can use to comply with this requirement. Additionally, any FoodShare recipient who is 16-years old or older can volunteer for the FSET program and receive services.

The table below provides an overview of SWWDB's compliance to the Service Level Agreement goals indicated in the contract held with the Department of Health Services. The FSET contract runs from October through September.

Service Level Agreement Goal 10/2022 to 9/2023	Plan	QTR 1	QTR 2	QTR 3	QTR 4
Average Monthly Enrollment to Referral Ratio	25%	74.92%	70.63%	67.88%	39.10%
Component Participation	40%	86.96%	82.16%	68.59%	66.58%
Education and Training Component	25%	41.39%	44.22%	36.85%	29.58%
Contacting Referrals	95%	100%	100%	100%	100%
Scheduling Appointments	95%	100%	100%	100%	100%

Full Board approval to accept the consent agenda is requested.

9. Organizational Information & Recurring Business

4:00 p.m.

A. Rapid Response Activity/Updates

Upon notification of a company closing or significant layoff, SWWDB organizes Rapid Response events with the employer to introduce the affected employees to the services

available within the public workforce system and to answer questions relating to unemployment, retraining, local employment opportunities, etc. The table below provides an overview of layoff/closure activity since July 1, 2023.

No Board action is required.

Program Year (PY) 2023-24					
Company Name	Layoff Date	Affected Employees	RR Sessions or Meetings Held	Attendance	Receiving Services in DW Program
Honeywell	7/31/2023	12	Event on held 7/11/2023.	12	0
Shine Medical Technologies	8/8/2023	52	No warning provided to employees. Pay was provided in lieu of notice	Employer did not return calls.	
Saputo Cheese Belmont, WI	11/11/2023	187 Lafayette Co.	12/1/2023 – Job Fair and Rapid Response sessions held.	62	0
Energizer	12/1/2023	172	In contact with employer.		
NorthStar Medical Radioisotopes, LLC	10/11/2023	65	No response from employer		
Saputo Cheese Lancaster, WI	News article	100	Waiting for more details from employer.		

4:10 p.m.

B. Local Retention – Workforce Innovation and Opportunity Act (WIOA)

Provided below is information regarding local retention (defined as participants working within the local area post-program exit). Since July 1, 2023, 28 participants have exited Workforce Innovation and Opportunity Act (WIOA) programs. As of September 30, 2023, placement information indicates that of the 28 WIOA participants that exited in the program year, 19 (68%) are employed or going to school post-program exit. Of those, 17 (89%) are going to school or working in Wisconsin. Workforce Development Area (WDA) 11 employs 14 of these individuals, which represents 82% of those employed in Wisconsin.

4:15 p.m.

10. CEO’s Report

A. 2024 Talent Development Conference

The 2024 Talent Development Conference will be held in La Crosse on April 9 and 10, 2024. The theme this year is “Navigating the Workforce & Preparing for the Future.” Early bird registration is \$250. Standard registration is \$300. More information can be found here: <https://www.wwda.org/tdcon24>.

B. WIOA Annual Monitoring

The Department of Workforce Development (DWD) will monitor Workforce Innovation and Opportunity Act (WIOA) Title 1 programs between January 2 and January 10, 2024. DWD was very cooperative when SWWDB staff requested the on-site fiscal monitoring to be conducted in February.

4:25 p.m.

11. Chairperson’s Report

4:30 p.m.

12. Adjournment

The next SWWDB meeting is scheduled for Wednesday, March 13, 2024.

• **Action Requested**

All Times are Approximate

Southwest Wisconsin Workforce Development Board, Inc. Board Meeting

September 13, 2023

Meeting Minutes

The Southwest Wisconsin Workforce Development Board met on Wednesday, September 13, 2023, via video conference. Attendance was as follows:

Members Present:	Ms. Maria Lauck, Chairperson	Ms. Jill Liegel
	Mr. Jason Aarud	Mr. Andrew Marcotte
	Mr. Ivan Collins	Mr. Troy Marx
	Ms. Heather Fifrick	Mr. John Meyers
	Mr. Geoff Fricke	Ms. Lisa Omen
	Mr. Kendal Garrison	Mr. James Otterstein
	Mr. Aaron Jach	Ms. Amy Santas
	Ms. Ela Kakde	Mr. Dave Shaw
	Mr. Keith Kruse	Mr. Dave Smith
Members Excused:	Ms. Linda Hendrickson	Ms. Andrea Simon
	Ms. Heather McLean	Mr. Brian Toutant
	Dr. Tracy Pierner	Mr. Michael Williams
	Mr. Tom Schmit	
Staff Present:	Ms. Katie Gerhards	Ms. Rhonda Suda
	Ms. Gail Graham	Ms. Danielle Thousand
	Mr. Matt Riley	Mr. Jimmy Watson
Other Guests:	Bridgette Stoeckel, DWD	Mr. Matt Walthius, Manpower

1. Welcome; Call to Order; Introduction of New Board Members and Guests

Ms. Lauck called the meeting to order at 2:30 p.m. and welcomed members, guests, and staff. Ms. Lauck welcomed new Board member Geoff Fricke, VP of Human Resources for The Bank of New Glarus.

2. Approval of Minutes of SWWDB Meeting

The minutes of the June 14, 2023, SWWDB meeting were presented for review and discussion. There was no discussion.

Motion made by Mr. Kruse, seconded by Ms. Omen, to approve the minutes of the June 14, 2023, meeting. **Motion carried unanimously.**

3. Financial Reports

Board members were presented with the financial reports through June 30, 2023. The financial reports include the Balance Sheet, Statement of Operations, and 2023-24 Budget Modifications.

The Balance Sheet represents a draft of the financial statement through Quarter 4 (April 1 – June 30). It shows revenue exceeding expenses by \$240,823.99. Ms. Thousand said that this week is the last week to process invoices from prior to July 1, 2023. The two (2) accounts that change the most are accounts 1100-Grant Cash Receivable and 3200-Accounts Payable. These accounts go hand-in-hand because if one

ENCLOSURE 1

changes so does the other as SWWDB operates on a cost reimbursement basis. The Finance Team is in the process of finalizing the Balance Sheet numbers.

Account 1245-Dental Insurance Prepaid shows a negative balance. SWWDB owes a former employee coverage as he/she prepaid for the coverage. Account 3089-Flex Plan Medical also shows a negative balance because an employee drew more than what has been taken out of their check.

The Statement of Operations compares budget to actual. Because SWWDB is through Quarter 4 of the fiscal year, the goal in the column labeled "Pct" is to be around 100% spent. Revenues show 105.6% spent and expenses at 104.86%. Ms. Thousand went over some of the accounts that appear to deviate from the 100% goal.

Account 5150-Benefit Analysis Revenue shows 126.67% spent. SWWDB had a large Quarter 4, and such a large amount was not budgeted for when SWWDB administration created the budget.

Account 6156-Lodging shows 163.85% spent. Some staff attended the Workforce Innovation and Opportunity Act (WIOA) Roundtable event and onsite monitoring was done for the Pathways Home 2 grant.

Account 6261-Equipment Under \$5,000 shows 279.68% spent. Laptops for new hires were purchased and a new disability computer was purchased for the Rock County Job Center.

Account 6309-Facilities shows 191.73% spent. Very little was budgeted in this account.

Account 6343-Board shows 223.65% spent. This is because the June Board meeting was held in-person. Board members were reimbursed mileage.

Account 6370-Advertising shows 2,859.56% spent. At the June Board meeting, Board members approved targeted marketing for WIOA – specifically the Dislocated Worker program. SWWDB had received additional funding for the purpose of marketing that had to be used by June 30, 2023.

Account 6430-Legal Counsel shows 0% spent as a result of a coding mistake.

Account 6707-Incumbent Worker Training (IWT) shows 46.66% spent. The most recent cost for IWT had not been paid at the time of preparing the Statement of Operations.

Account 6709-Incentives shows 253.15% spent. These payments are mainly due to the Workforce Advancement Initiative (WAI) and go directly to program participants. Many payments were processed in Quarter 4. Another reason is that the second payment to the schools in the spring for Youth Apprenticeship was not budgeted for.

The Budget Modifications are provided to Board members at every meeting. It shows changes to the budget since the June meeting. Adjustments to actual were made to the Wisconsin Senior Employment (WISE) program, the Program Year (PY) 2023 WIOA contracts, the Department of Corrections (DOC) contract, and to Rapid Response.

The biggest true change is the decision to not renew the Regional Planning Commission (RPC) contracts for 2024. Ms. Suda explained that the SWWDB Finance Team has been providing fiscal services to two (2) RPCs for many years: Southwestern Wisconsin Regional Planning Commission (Platteville) and Capital

Area Regional Planning Commission (Madison). The Finance Team can no longer take on the capacity of their services due to an increased workload.

Motion made by Mr. Otterstein, seconded by Mr. Kruse, to approve the Program Year (PY) 2022-23 financial statements for Quarter 4, including the Budget Modifications, as presented. **Motion carried unanimously.**

4. Old Business

A. WIOA Outreach Campaign

The purpose of the Workforce Innovation and Opportunity Act (WIOA) outreach campaign is to increase awareness of WIOA programs. Ms. Suda provided an overview of activity thus far. The overview included listening to the radio ads, sharing the statistics of the data, and showing the display ads. The Dislocated Worker program ads have been released, but the Adult and Youth ads are in progress.

B. Technology Projects

Matt Riley, SWWDB's Network Coordinator, provided an update on SWWDB's technology projects. SWWDB's new website is currently going through updates. It cannot go live until the PAS (Payment Authorization System) project is done.

PAS is the system used to track payments on behalf of program participants, manage funding sources, and issue vouchers. Testing on the new site is done daily for a few hours. The new site is not ready to be released.

Mr. Riley noted that the SharePoint migration is done, and the DUO rollout is almost complete. DUO is a multi-factor authentication software.

5. New Business

A. Program Year (PY) 2023-24 WIOA Allocations

The Program Year (PY) 2023-24 Workforce Innovation and Opportunity Act (WIOA) allocations were released on June 30, 2023. SWWDB's shares are decreasing by \$105,687 (8.77%). The Youth and Adult programs decreased by 17.22% and 18.89%, respectively. However, the Dislocated Worker program increased by 21.7%.

The state's overall allocation decreased. Ms. Suda explained that the decreases in SWWDB's area (Workforce Development Area (WDA) 11) reflect labor market information. SWWDB administration reserves prior year funding to be able to operate in Quarter 1 as the Department of Workforce Development (DWD) does not release all of the funding at once. Ms. Suda shared the historical allocation data with Board members.

Ms. Lauck asked if the decrease in funding will serve any risk or raise issues for SWWDB to serve individuals. Ms. Suda said no. SWWDB administration was very close when budgeting as a 10% decrease was estimated. The most significant impact will be on the service providers, but it will not be much.

Mr. Otterstein asked if these are consistent trends, or if there are geographic impacts. Ms. Suda stated that the Department of Labor (DOL) uses a formula to allocate funds to the states. Each state has a formula to allocate funds to the local areas. Local boards have the opportunity to review

DWD's formula allocation. Ms. Suda has reviewed the formula for the last few years. Ms. Suda will bring a comparison of the allocation between local boards to the next meeting.

WARN notices also impact allocations. WARN notices are provided when 100 or more employees will be affected by a planned closing or mass layoff. Saputo Cheese in Belmont and Energizer in Fennimore have not provided WARN notices to date. Larger company closures or layoffs affect funding.

Motion made by Mr. Kruse, seconded by Mr. Aarud, to approve the Program Year (PY) 2023-24 WIOA allocations as presented. **Motion carried unanimously.**

B. Board Member Resignation

Ms. Suda shared that Heather McLean, Business and Marketing Manager for Reddy Ag Service and Ross Soil Service, has resigned. Ms. Suda is currently recruiting to fill the vacant position and has received some potential nominations.

The potential replacement must complete and submit an application. Furthermore, nomination papers must be submitted by a Chamber of Commerce. The application and nomination paperwork will be presented to the Southwest Wisconsin Counties Consortium (SWCC) for consideration at their next meeting in November.

C. Service Provider Contract Modification

SWWDB administration is requesting a contract modification for ManpowerGroup Public Sector for Support to Communities (STC) funds. The purpose of the grant is to help individuals with substance abuse issues or help individuals who have a person in their life who has substance abuse issues.

The current STC Coordinator has been reassigned to another grant, so STC responsibilities must be reassigned. Instead of hiring a new employee when the grant will be done in one (1) year, Manpower has indicated that they have the capacity to take on the responsibilities of the STC grant. SWWDB has already met the goal enrollment numbers while Manpower staff continue to enroll individuals.

Motion made by Mr. Kruse, seconded by Ms. Ffrrick, to modify ManpowerGroup Public Sector's contract by no more than \$35,000 to provide Support to Communities (STC) services in the Southwest Wisconsin Workforce Development Area. **Motion carried unanimously.**

D. Audit

SWWDB is seeking two (2) to three (3) volunteers to join SWWDB's Chairperson and Treasurer to serve on this year's Audit Ad Hoc Committee. Ms. Suda explained that the committee does not have to meet in-person as the audit will be conducted virtually again this year. The meeting notice will be shared with Board members not on the committee as any Board member can attend and ask questions of the auditors and/or share concerns.

The committee will meet at the beginning and close of the audit, October 2, 2023, and October 5, 2023.

Mr. Kruse asked what time the meeting would start. Ms. Suda said the auditors are flexible to a meeting time. A time would be chosen that works for all volunteers. Mr. Kruse and Mr. Fricke volunteered.

Ms. Gerhards will send out the meeting invite that includes times and dates.

E. Board Recertification

SWWDB has been recertified. Ms. Suda explained that the recertification process included the Department of Workforce Development (DWD) reviewing all Board members and their membership to ensure SWWDB is meeting the required membership criteria under the Workforce Innovation and Opportunity Act (WIOA).

F. Wisconsin Pathways Home 4

The following five (5) Workforce Development Boards partnered on a grant proposal to continue and expand Pathway Home services: SWWDB, Fox Valley, Northwest, Western, and North Central. As SWWDB manages the Pathways Home 2 grant, SWWDB was not able to apply for Pathways Home 4 as the grant administrator.

Pathways Home 4 is very similar to Pathways Home 2. North Central is the grant administrator. SWWDB is working with the Workforce Development Board of South Central Wisconsin in order to serve individuals in their jails.

Marcia Galvan, SWWDB's Special Projects Supervisor, will serve as the grant manager. SWWDB administration does not have the contract yet from North Central but anticipates receiving it before the end of October.

6. Committee Updates

A. August 25, 2023, Executive Committee Meeting

The meeting minutes of the August 25, 2023, SWWDB Executive Committee meeting were shared with Board members for review. There was no discussion.

7. Consent Agenda

The items on the consent agenda were presented to Board members for review and discussion. Ms. Suda briefly went over the two (2) revised policies and performance reports.

Motion made by Ms. Omen, seconded by Mr. Jach, to approve the items in the consent agenda as presented including revisions to B-110 Equal Opportunity and Affirmative Action Policy and B-520 Unlawful Workplace Harassment Policy, and the Workforce Innovation and Opportunity Act (WIOA) and Foodshare Employment & Training (FSET) performance and participation reports. **Motion carried unanimously.**

8. Organizational Information & Recurring Business

A. Rapid Response Activity/Updates

Board members were provided with an overview of layoff/closure activity since July 1, 2022, (Table 1). This information is provided at every Board meeting per the Board's request.

Table 1

Program Year 2022-23					
Company Name	Layoff Date	Affected Employees	RR Sessions or Meetings Held	Attendance	Receiving Services in DW Program
Honeywell	7/31/2023	12	Event on held 7/11/2023.	12	0
Shine Medical Technologies	8/8/2023	52	No warning provided to employees. Pay was provided in lieu of notice	Employer did not return calls.	
Saputo Cheese closing, Belmont, WI	Carry over from, 2022.23 Program year. Date Unknown	200 Lafayette Co.	Contact made; no WARN filing to date. Stated meeting with them monthly. Next meeting is in September. Close date is based on construction at the Reedsburg location.		0
Energizer	Carryover from the 2022.23 Program year. Date Unknown. Possibly early 2024	300	In contact with employer. Events will be scheduled as layoff date(s) confirmed. No WARN filing to date.		

B. Local Retention – Workforce Innovation and Opportunity Act

Local retention is defined as participants working within the local area post-program exit. Since July 1, 2022, 90 participants have exited Workforce Innovation and Opportunity Act (WIOA) programs. As of June 30, 2023, placement information indicates that of the 90 WIOA participants that exited in the program year, 72 (80%) are employed or going to school post-program exit. Of those, 67 (93%) are going to school or working in Wisconsin. Workforce Development Area (WDA) 11 employs 53 of these individuals, which represents 79% of those employed in Wisconsin.

9. CEO's Report

Ms. Suda shared the event flyer with Board members for the Winning with Wisconsin's Workforce (WWW) event at Blackhawk Technical College (BTC) in Monroe on Wednesday, September 20, 2023, from 11:30 a.m. to 1:30 p.m. Business representatives, community leaders, and workforce development professionals will discuss strategies to promote workforce participation. Lunch will be provided.

The Department of Workforce Development (DWD) and local boards will deliver their message about what they do in their own ways. Ms. Suda noted that SWWDB received funding from DWD to host four (4) of these events. One more will be scheduled.

10. Chairperson's Report

Ms. Lauck thanked members for attending. The next meeting is scheduled for Wednesday, December 13, 2023, and will be held virtually.

11. Adjournment

Motion made by Mr. Kruse, seconded by Mr. Aarud, to adjourn the meeting at 4:07 p.m. **Motion carried unanimously.**

General Ledger System

SOUTHWEST WISCONSIN WORKFORCE DEV
 For User: d.thousand
 Agency Balance Sheet

September 2023

Page: Page 1 of 1
 Date: 11/10/2023
 Time: 1:43:13 PM

Account Description	Balance Amount	Totals
Assets:		
1000 CASH	\$1,164,943.82	
1100 GRANT CASH RECEIVABLE	\$691,359.91	
1202 PREPAID PLATTEVILLE RENT	\$2,387.00	
1203 PREPAID CORP. INSURANCES	\$6,873.05	
1207 PREPAID SUBSCRIPTIONS	\$15,343.34	
1220 PREPAID RENT OTHER	\$1,898.00	
1245 DENTAL INSURANCE PREPAID	(\$337.77)	
1250 PREPAID HEALTH INSURANCE	\$34,089.36	
1251 PREPAID CUSTOMER SUPPORT	\$215.00	
1252 PREPAID FLEXIBLE SPENDING	\$262.46	
1310 PREPAID ROCK COUNTY RENT	\$4,017.09	
1500 AUTOMOBILE PURCHASE	\$25,708.38	
1501 ACCUMULATED DEPRECIATION	(\$186,221.35)	
1503 EQUIPMENT & FURNITURE	\$201,444.76	
1539 SOFTWARE PROJECT	\$36,405.00	
1540 PAS REWRITE PROJECT	\$55,574.50	
Total assets		<u>\$2,053,962.55</u>
Liabilities:		
3003 ACCRUED VACATION	\$19,166.15	
3004 ACCRUED PAYROLL	\$53,534.11	
3089 FLEX PLAN MEDICAL	\$2,652.85	
3200 ACCOUNTS PAYABLE	\$305,503.32	
Total liabilities		<u>\$380,856.43</u>
Prior year fund balance	\$1,586,326.12	
Current fund balance	\$86,780.00	
Total liabilities and fund balance:		<u><u>\$2,053,962.55</u></u>
(Funds included: ALL)		

General Ledger System

SOUTHWEST WISCONSIN WORKFORCE DEV

For User: d.thousand

Agency Statement of Operations

September 2023

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Date: 11/10/2023

Time: 1:45:07 PM

Revenues

Account	-----Monthly-----			-----YTD-----			Annual estimated	Unrealized	Pct
	Estimated	Actual	Pct	Estimated	Actual				
5100 REVENUE	\$377,156.00	\$1,219,218.83	323.27%	\$1,131,468.00	\$1,417,491.75	\$4,525,879.00	\$3,108,387.25	31.32%	
5110 LEASED EMPLOYEE REVENUE	\$60,383.00	\$254,073.34	420.77%	\$181,149.00	\$222,997.93	\$724,600.00	\$501,602.07	30.78%	
5140 TICKET TO WORK REVENUE	\$5,431.00	\$19,405.00	357.30%	\$16,293.00	\$19,405.00	\$65,183.00	\$45,778.00	29.77%	
5150 BENEFIT ANALYSIS REVENUE	\$5,431.00	\$27,600.00	508.19%	\$16,293.00	\$25,700.00	\$65,183.00	\$39,483.00	39.43%	
5300 REVENUE INTEREST INCOME	\$1,255.00	\$3,472.21	276.67%	\$3,765.00	\$9,824.21	\$15,067.00	\$5,242.79	65.20%	
Total Revenues	\$449,656.00	\$1,523,769.38	338.87%	\$1,348,968.00	\$1,695,418.89	\$5,395,912.00	\$3,700,493.11	31.42%	

Expenditures

Account	-----Monthly-----			-----YTD-----			Annual budget	Unexpended	Pct
	Budget	Expenditures	Pct	Budget	Expenditures				
6100 SALARIES	\$237,107.00	\$359,343.77	151.55%	\$711,321.00	\$658,752.71	\$2,845,293.00	\$2,186,540.29	23.15%	
6110 P/R TAX FICA	\$18,138.00	\$24,905.45	137.31%	\$54,414.00	\$46,598.59	\$217,665.00	\$171,066.41	21.41%	
6119 FRINGES	\$83.00	\$2,549.60	3071.81%	\$249.00	\$2,549.60	\$1,000.00	(\$1,549.60)	254.96%	
6120 HEALTH INSURANCE	\$27,265.00	\$24,885.98	91.27%	\$81,795.00	\$67,953.72	\$327,186.00	\$259,232.28	20.77%	
6122 UNEMPLOYMENT INSURANCE	\$1,175.00	\$523.53	44.56%	\$3,525.00	\$1,089.89	\$14,101.00	\$13,011.11	7.73%	
6123 LIFE/DISABILITY INSURANCE	\$626.00	\$716.82	114.51%	\$1,878.00	\$1,750.65	\$7,518.00	\$5,767.35	23.29%	
6130 DENTAL INSURANCE	\$1,743.00	\$1,741.42	99.91%	\$5,229.00	\$4,731.37	\$20,924.00	\$16,192.63	22.61%	
6140 TRAVEL IN WDA	\$8,332.00	\$8,167.93	98.03%	\$24,996.00	\$15,707.38	\$99,985.00	\$84,277.62	15.71%	
6155 MEALS	\$833.00	\$1,337.47	160.56%	\$2,499.00	\$2,059.11	\$10,000.00	\$7,940.89	20.59%	
6156 LODGING	\$1,250.00	\$0.00	0.00%	\$3,750.00	\$0.00	\$15,000.00	\$15,000.00	0.00%	
6160 401(K)	\$9,166.00	\$12,528.23	136.68%	\$27,498.00	\$27,700.65	\$110,000.00	\$82,299.35	25.18%	
6170 STAFF TRAIN/DEVELOPMENT	\$1,250.00	\$2,249.56	179.96%	\$3,750.00	\$2,419.56	\$15,000.00	\$12,580.44	16.13%	
6171 EMPLOYEE TUITION REIMB.	\$83.00	\$0.00	0.00%	\$249.00	\$0.00	\$1,000.00	\$1,000.00	0.00%	
6172 DUES AND MEMBERSHIPS	\$1,166.00	\$0.00	0.00%	\$3,498.00	\$775.00	\$14,000.00	\$13,225.00	5.54%	
6250 OFFICE SUPPLIES	\$2,583.00	\$4,401.76	170.41%	\$7,749.00	\$7,075.36	\$31,000.00	\$23,924.64	22.82%	
6255 AUDIO/WISLINE	\$125.00	\$25.43	20.34%	\$375.00	\$208.81	\$1,500.00	\$1,291.19	13.92%	
6257 JOB FAIR EXPENSES	\$83.00	\$0.00	0.00%	\$249.00	\$0.00	\$1,000.00	\$1,000.00	0.00%	
6261 EQUIPMENT UNDER \$5000	\$2,500.00	\$1,607.88	64.32%	\$7,500.00	\$3,577.90	\$30,000.00	\$26,422.10	11.93%	
6267 COPIER RENTAL	\$458.00	\$39.00	8.52%	\$1,374.00	\$417.00	\$5,500.00	\$5,083.00	7.58%	
6270 IT SOFTWARE	\$1,250.00	\$1,158.33	92.67%	\$3,750.00	\$3,474.99	\$15,000.00	\$11,525.01	23.17%	
6272 IT EQUIPMENT - NETWORK	\$333.00	\$0.00	0.00%	\$999.00	\$0.00	\$4,000.00	\$4,000.00	0.00%	
6273 IT EQUIPMENT - OTHER	\$83.00	\$0.00	0.00%	\$249.00	\$0.00	\$1,000.00	\$1,000.00	0.00%	
6274 LICENSES	\$1,250.00	(\$16.00)	-1.28%	\$3,750.00	\$2,080.00	\$15,000.00	\$12,920.00	13.87%	

General Ledger System

SOUTHWEST WISCONSIN WORKFORCE DEV
 For User: d.thousand
 Agency Statement of Operations

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September 2023

Expenditures		-----Monthly-----			-----YTD-----					
Account		Budget	Expenditures	Pct	Budget	Expenditures	Annual budget	Unexpended	Pct	
6310	RENT	\$8,083.00	\$6,382.34	78.96%	\$24,249.00	\$24,259.77	\$97,000.00	\$72,740.23	25.01%	
6311	STORAGE RENTAL	\$1,233.00	\$1,225.00	99.35%	\$3,699.00	\$3,675.00	\$14,800.00	\$11,125.00	24.83%	
6312	CLEANING/JANITORIAL	\$416.00	\$400.00	96.15%	\$1,248.00	\$1,300.00	\$5,000.00	\$3,700.00	26.00%	
6313	P.O. BOX RENTAL	\$33.00	\$0.00	0.00%	\$99.00	\$0.00	\$400.00	\$400.00	0.00%	
6330	TELEPHONE	\$500.00	\$314.07	62.81%	\$1,500.00	\$941.94	\$6,000.00	\$5,058.06	15.70%	
6331	GARBAGE REMOVAL	\$33.00	\$0.00	0.00%	\$99.00	\$0.00	\$400.00	\$400.00	0.00%	
6340	POSTAGE	\$833.00	\$2,546.61	305.72%	\$2,499.00	\$3,100.99	\$10,000.00	\$6,899.01	31.01%	
6341	SERVICE FEES	\$933.00	\$948.69	101.68%	\$2,799.00	\$2,521.90	\$11,200.00	\$8,678.10	22.52%	
6342	SUBSCRIPTIONS	\$1,958.00	\$1,389.00	70.94%	\$5,874.00	\$4,167.00	\$23,500.00	\$19,333.00	17.73%	
6343	BOARD	\$416.00	\$0.00	0.00%	\$1,248.00	\$159.83	\$5,000.00	\$4,840.17	3.20%	
6351	CELL PHONE	\$1,708.00	\$1,516.66	88.80%	\$5,124.00	\$5,421.91	\$20,500.00	\$15,078.09	26.45%	
6352	INTERNET	\$1,166.00	\$943.88	80.95%	\$3,498.00	\$2,831.64	\$14,000.00	\$11,168.36	20.23%	
6353	NETWORK CONNECTIVITY	\$5,976.00	\$0.00	0.00%	\$17,928.00	\$26,265.00	\$71,720.00	\$45,455.00	36.62%	
6370	ADVERTISING	\$416.00	\$0.00	0.00%	\$1,248.00	\$469.60	\$5,000.00	\$4,530.40	9.39%	
6371	BACKGROUND CHECKS	\$33.00	\$14.00	42.42%	\$99.00	\$63.00	\$400.00	\$337.00	15.75%	
6410	LEGAL	\$208.00	\$0.00	0.00%	\$624.00	\$0.00	\$2,500.00	\$2,500.00	0.00%	
6420	AUDIT	\$1,333.00	\$0.00	0.00%	\$3,999.00	\$0.00	\$16,000.00	\$16,000.00	0.00%	
6431	CONSULTANTS	\$416.00	\$0.00	0.00%	\$1,248.00	\$0.00	\$5,000.00	\$5,000.00	0.00%	
6433	CONTRACTED SUPPORT	\$4,166.00	\$3,244.83	77.89%	\$12,498.00	\$9,734.49	\$50,000.00	\$40,265.51	19.47%	
6503	WORKER'S COMPENSATION	\$1,208.00	\$970.33	80.33%	\$3,624.00	\$134.00	\$14,500.00	\$14,366.00	0.92%	
6504	MULTI-PERIL	\$166.00	\$112.25	67.62%	\$498.00	\$390.56	\$2,000.00	\$1,609.44	19.53%	
6507	CORPORATE INSURANCES	\$1,083.00	\$1,095.11	101.12%	\$3,249.00	\$3,285.41	\$13,000.00	\$9,714.59	25.27%	
6580	DEPRECIATION	\$3,000.00	\$3,467.00	115.57%	\$9,000.00	\$10,401.03	\$36,000.00	\$25,598.97	28.89%	
6602	COMPANY CAR INSURANCE	\$158.00	\$113.38	71.76%	\$474.00	\$340.14	\$1,900.00	\$1,559.86	17.90%	
6603	COMPANY CAR GAS	\$60.00	\$47.29	78.82%	\$180.00	\$107.82	\$720.00	\$612.18	14.98%	
6604	COMPANY CAR MAINTENANCE	\$166.00	\$0.00	0.00%	\$498.00	\$0.00	\$2,000.00	\$2,000.00	0.00%	
6610	SUBCONTRACTOR EXPENSE	\$83,333.00	\$91,008.35	109.21%	\$249,999.00	\$288,241.58	\$1,000,000.00	\$711,758.42	28.82%	
6701	PARTICIPANT SUPPORT	\$50,000.00	\$47,163.71	94.33%	\$150,000.00	\$90,951.40	\$600,000.00	\$509,048.60	15.16%	
6703	ASSESSMENTS	\$1,666.00	\$1,575.00	94.54%	\$4,998.00	\$7,350.00	\$20,000.00	\$12,650.00	36.75%	
6707	INCUMBENT WORKER TRAININ	\$3,333.00	\$0.00	0.00%	\$9,999.00	\$0.00	\$40,000.00	\$40,000.00	0.00%	
6708	STIPENDS	\$4,583.00	\$15,475.00	337.66%	\$13,749.00	\$38,765.00	\$55,000.00	\$16,235.00	70.48%	

General Ledger System

SOUTHWEST WISCONSIN WORKFORCE DEV

For User: d.thousand

Agency Statement of Operations

September 2023

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Expenditures

Account	-----Monthly-----			-----YTD-----			Annual budget	Unexpended	Pct
	Budget	Expenditures	Pct	Budget	Expenditures				
6709 INCENTIVES	\$2,500.00	\$0.00	0.00%	\$7,500.00	\$1,000.00		\$30,000.00	\$29,000.00	3.33%
6735 35% TRAINING	\$31,250.00	\$25,452.00	81.45%	\$93,750.00	\$118,715.84		\$375,000.00	\$256,284.16	31.66%
6736 35% TRAINING SUPPORT	\$46,250.00	\$53,738.30	116.19%	\$138,750.00	\$113,627.75		\$555,000.00	\$441,372.25	20.47%
6740 CUSTOMIZED TRAINING	\$473.00	\$0.00	0.00%	\$1,419.00	\$1,494.00		\$5,683.00	\$4,189.00	26.29%
Total Expenditures	\$575,971.00	\$705,308.96	122.46%	\$1,727,913.00	\$1,608,638.89		\$6,911,895.00	\$5,303,256.11	23.27%
Excess (Deficit)	(\$126,315.00)	\$818,460.42		(\$378,945.00)	\$86,780.00		(\$1,515,983.00)	(\$1,602,763.00)	

(Funds included: ALL)

SWWDB Budget Modifications Since the 09/13/2023 Board Meeting

Item	Admin	Program	Amount
2023.24 Budget - Approved Revenue	561,831	4,834,081	\$5,395,912
Changes to PY23 Funds (Adjust to Actual)			
Pathway Home 4 - Grant Management Services only	26,244	236,196	\$262,440
FoodShare Employment & Training - Adjust to actual award (Exhibit II)	3,365	30,285	\$33,650
Regional Planning Commission Contracts - not renewing for calendar year 2024 (estimated)	(32,250)		(\$32,250)
WISE - Adjust to Anticipated Award per Mtg w/ DHS 7.20.23	3,639	(1,761)	\$1,878
WIOA PY23 Admin - Adjust to Actual Award	8,517		\$8,517
WIOA PY23 Adult - Adjust to Actual Award		0	\$0
WIOA PY23 DW - Adjust to Actual Award		65,455	\$65,455
WIOA PY23 ISY - Adjust to Actual Award		2,240	\$2,240
WIOA PY23 OSY - Adjust to Actual Award		8,962	\$8,962
Department of Corrections - adjust to actual award	3	24	\$27
PDCI Job Center DOC - adjust to actual award	1,000	9,000	\$10,000
CESA 5/Dept of Public Instruction - adjust to actual	13	122	\$135
Rapid Response Annual Allotment - adjust to actual	1,053	9,475	\$10,528
QUEST (Quality jobs, Equity, Strategy & Training) - adjust to actual	5,265	47,388	\$52,653
Youth Apprenticeship - adjust to actual award, draft contract	(804)	(15,927)	(\$16,731)
Modified Revenues	577,876	5,225,541	5,803,416
Net Change	16,045	391,460	407,504
Changes to PY22 Funds (Affects Planned Reserve / Carryover) - for informational purposes only			
Department of Corrections - adjust to actual final/close out		3,222	\$3,222
Department of Corrections - PDCI Job Center adjust to actual final/close out (\$3,000 P.O. + \$1,991 direct pay)	300	4,691	\$4,991
Changes to PY23 That Don't Impact SWWDB's Bottom Line - for informational purposes only			
Community Action, Inc. of Rock & Walworth Counties - an FSET Third Party Program Provider (50% match grant pass through funding only shown at 100% contract value) for their Project Thrive Program	-	199,238	199,238



FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2023 and 2022

DRAFT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Southwest Wisconsin Workforce Development Board, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Southwest Wisconsin Workforce Development Board, Inc. as of June 30, 2023 and 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General of the United States. 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 Southwest Wisconsin Workforce Development Board, 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Southwest Wisconsin Workforce Development Board, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of July 1, 2022. Our opinion is not modified with respect to this matter.

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 Southwest Wisconsin Workforce Development Board, Inc.'s ability to continue as a going concern within one year after the date that 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 GAAS 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 GAAS 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 Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, 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 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, 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*, the DHS Cost Reimbursement Award Schedule, and the schedule of revenues and expenses by funding source are presented for purposes of additional analysis and are 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 30, 2023, 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 30, 2023

DRAFT

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,129,844	\$ 632,496
Accounts receivable	125,526	164,263
Grants receivable	1,251,616	1,226,177
Prepaid expenses	74,265	60,722
Equipment (less accumulated depreciation of \$175,820 and \$146,202, respectively)	<u>133,687</u>	<u>118,978</u>
Total current assets	2,714,938	2,202,636
NONCURRENT ASSETS		
Operating lease right-of-use assets	<u>196,237</u>	<u>-</u>
Total assets	<u><u>\$ 2,911,175</u></u>	<u><u>\$ 2,202,636</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 675,145	\$ 408,871
Accrued expenses	125,943	115,853
Refundable advances	327,523	328,605
Operating lease liabilities	<u>89,252</u>	<u>-</u>
Total current liabilities	1,217,863	853,329
NONCURRENT LIABILITIES		
Noncurrent operating lease liabilities	<u>108,372</u>	<u>-</u>
Total liabilities	1,326,235	853,329
NET ASSETS		
Without donor restrictions	<u>1,584,940</u>	<u>1,349,307</u>
Total liabilities and net assets	<u><u>\$ 2,911,175</u></u>	<u><u>\$ 2,202,636</u></u>

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
 Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Government grants	\$ 6,146,611	\$ 4,115,225
Leased employee revenue	883,932	991,731
Program service revenue	<u>363,373</u>	<u>337,805</u>
Total revenue without donor restrictions	7,393,916	5,444,761
EXPENSES		
Program services		
WIOA	2,148,515	1,211,774
SCSEP	360,313	354,487
FSET	1,697,669	1,457,223
Windows to Work	163,664	86,538
Pathway Home 2	1,108,512	377,587
Leased employees	825,195	926,846
Other program services	390,536	340,808
Supporting activities		
Management and general	<u>463,879</u>	<u>487,680</u>
Total expenses	<u>7,158,283</u>	<u>5,242,943</u>
Change in net assets	235,633	201,818
Net assets at beginning of year	<u>1,349,307</u>	<u>1,147,489</u>
Net assets at end of year	<u><u>\$ 1,584,940</u></u>	<u><u>\$ 1,349,307</u></u>

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services						Supporting Activities		Total Expenses
	WIOA	SCSEP	FSET	Windows to Work	Pathway Home 2	Leased Employees	Other Program Services	Management and General	
Grants and allocations	\$ 597,254	\$ -	\$ -	\$ -	\$ 663,497	\$ -	\$ -	\$ -	\$ 1,260,751
Assistance to individuals	1,090,076	-	597,231	11,393	200,444	19,000	61,982	-	1,980,126
Salaries and wages	245,450	312,813	723,454	88,306	157,231	641,370	203,063	259,126	2,630,813
Employee benefits	52,870	16,039	117,474	21,486	22,301	78,297	47,193	84,479	440,139
Payroll taxes	18,817	23,691	56,453	6,893	12,119	50,984	15,105	18,592	202,654
Professional fees	5,079	555	43,037	2,244	3,746	-	6,233	23,371	84,265
Supplies	4,015	394	15,688	3,085	2,777	-	4,611	7,060	37,630
Telephone/connectivity	19,276	2,629	37,197	3,621	9,806	-	5,079	8,488	86,096
Occupancy	15,225	1,597	55,639	4,484	11,449	-	11,058	19,028	118,480
Equipment rental and maintenance	446	41	1,352	173	370	-	340	789	3,511
Travel	11,244	1,549	10,839	18,482	13,747	33,361	10,699	3,953	103,874
Conferences and meetings	1,808	50	3,730	351	5,154	-	580	2,510	14,183
Other	86,955	955	35,575	3,146	5,871	2,183	24,593	36,483	195,761
Total expenses	\$ 2,148,515	\$ 360,313	\$ 1,697,669	\$ 163,664	\$ 1,108,512	\$ 825,195	\$ 390,536	\$ 463,879	\$ 7,158,283

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services						Supporting Activities		Total Expenses
	WIOA	SCSEP	FSET	Windows to Work	Pathway Home 2	Leased Employees	Other Program Services	Management and General	
Grants and allocations	\$ 433,962	\$ -	\$ -	\$ -	\$ 160,094	\$ -	\$ -	\$ -	\$ 594,056
Assistance to individuals	492,135	-	369,234	8,947	31,190	15,000	116,784	-	1,033,290
Salaries and wages	177,316	302,227	703,681	43,263	108,442	740,867	134,348	293,740	2,503,884
Employee benefits	37,174	20,018	123,115	7,395	17,830	77,266	44,622	76,833	404,253
Payroll taxes	13,413	22,799	53,614	3,270	8,434	59,852	9,728	21,189	192,299
Professional fees	4,449	818	21,916	1,344	2,837	-	4,011	21,468	56,843
Supplies	3,510	381	16,367	1,854	2,160	40	2,817	8,490	35,619
Telephone/connectivity	17,853	1,953	45,339	2,509	7,891	-	5,130	8,398	89,073
Occupancy	12,609	2,378	60,420	4,290	7,897	-	11,064	15,936	114,594
Equipment rental and maintenance	613	104	2,123	273	400	-	529	986	5,028
Travel	3,188	1,041	6,348	5,523	3,104	31,309	5,202	4,082	59,797
Conferences and meetings	3,208	55	4,131	46	20,504	20	597	2,032	30,593
Other	12,344	2,713	50,935	7,824	6,804	2,492	5,976	34,526	123,614
Total expenses	\$ 1,211,774	\$ 354,487	\$ 1,457,223	\$ 86,538	\$ 377,587	\$ 926,846	\$ 340,808	\$ 487,680	\$ 5,242,943

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 235,633	\$ 201,818
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	29,618	16,447
Amortization of operating lease right-of-use assets	89,651	-
(Increase) decrease in assets		
Accounts receivable	38,737	(11,675)
Grants receivable	(25,439)	(420,077)
Prepaid expenses	(13,543)	(2,798)
Increase (decrease) in liabilities		
Accounts payable	266,274	309,169
Accrued expenses	10,090	39,702
Refundable advances	(1,082)	(4,868)
Operating lease liabilities	(88,264)	-
Net cash flows from operating activities	<u>541,675</u>	<u>127,718</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>(44,327)</u>	<u>(95,041)</u>
Net change in cash	497,348	32,677
Cash at beginning of year	<u>632,496</u>	<u>599,819</u>
Cash at end of year	<u><u>\$ 1,129,844</u></u>	<u><u>\$ 632,496</u></u>

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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 Workforce Innovation and Opportunity Act (WIOA) funds passed through the Wisconsin Department of Workforce Development (DWD) and FoodShare Employment and Training (FSET) funds passed through the Wisconsin Department of Health Services (DHS).

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, 2023 and 2022, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Equipment and software

All acquisitions of equipment and software 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. As of June 30, 2023 and 2022, depreciation expense was \$29,618, and \$16,447, respectively.

Government Grants

The Organization receives grants from government agencies and others 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.

Financial awards received and expended are subject to review by the DWD, the United States Department of Labor, the United States Government Accountability Office, or other agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews could result in claims against the Organization for disallowed costs or noncompliance with the provisions of contracts and grant agreements. No provision has been made for any liabilities that may arise from such reviews since the amount, if any, cannot be presently determined.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 and 2022

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, 2023 and 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pathway Home 2—Pathway Home 2 provides eligible incarcerated individuals in state correctional facilities or local or county jails with workforce services prior to release and continues services after release by transitioning the participants into reentry programs in the communities in which they will return. This grant is job-driven and builds connections to local employers that will enable transitioning offenders to secure employment by ensuring participants are prepared to meet the needs of their local labor markets with the skills valued by employers.

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 30, 2023, the date which the financial statements were available to be issued.

Adoption of New Accounting Guidance

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, Leases (Topic 842). The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, Leases, and creates FASB ASC Topic 842, Leases. The main

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

Southwest Wisconsin Workforce Development Board, Inc. adopted the requirements of Topic 842 as of July 1, 2022, using the optional transition method that allows the Company to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Southwest Wisconsin Workforce Development Board, Inc.'s reporting for the year ended June 30, 2023, is in accordance with the previous guidance in Topic 840.

Southwest Wisconsin Workforce Development Board, Inc. elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed Southwest Wisconsin Workforce Development Board, Inc. to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 resulted in the recognition of operating lease right-of-use assets of \$285,888 and operating lease liabilities of \$285,888 of July 01, 2022. The adoption of Topic 842 did not have a material effect on Southwest Wisconsin Workforce Development Board, Inc.'s results of operations, or cash flows.

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, 2023 and 2022, these conditional grants total approximately \$6,321,000 and \$6,890,000, 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 \$1,052,000 and \$1,014,000 at June 30, 2023 and 2022 conditioned upon the subrecipients incurring certain qualifying expenses.

NOTE 3—ECONOMIC DEPENDENCY

The Organization receives approximately 25% of its funding from the U.S. Department of Agriculture passed through the Wisconsin Department of Health Services. Also, the Organization receives approximately 32% of its funding from the U.S. Department of Labor passed through Wisconsin Department of Workforce.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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, 2023 and 2022 was \$101,181 and \$93,910, respectively.

NOTE 5—LEASES

The Organization leases space for its administrative offices and program operations under operating leases that expire at various dates through August 31, 2026. 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.

The components of total lease cost are as follows:

Operating lease cost	\$ 95,115
Short-term lease cost	3,000
	<u> </u>
Total lease cost	<u>\$ 98,115</u>

Other information related to operating leases is as follows:

Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	\$ 95,084
Right-of-use assets obtained in exchange for new lease liabilities	285,888
Weighted-average remaining lease term	2.64 years
Weighted-average discount rate	2.87%

The maturities of operating leases as of June 30, 2023, are as follows:

Year ending December 31:	
2024	\$ 93,506
2025	53,423
2026	49,797
2027	8,324
	<u> </u>
Total minimum lease payments	205,050
Imputed interest	(7,427)
	<u> </u>
Total lease liabilities	<u>\$ 197,623</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 6—LIQUIDITY AND AVAILABILITY

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

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,129,844	\$ 632,496
Accounts receivable	125,526	164,263
Grants receivable	<u>1,251,616</u>	<u>1,226,177</u>
	<u>\$ 2,506,986</u>	<u>\$ 2,022,936</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listings 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-O19-0659FST- RG11-01 R3	\$ -	\$ 1,841,455
WIOA Cluster				
Department of Labor Wisconsin Department of Workforce Development— WIOA Adult Program	17.258	6766, 5927, 5924, 7675	178,063	436,469
Wisconsin Department of Workforce Development— WIOA Youth Activities	17.259	5805, 6835, 5924, 7675	254,379	479,281
Wisconsin Department of Workforce Development— WIOA Dislocated Worker Formula Grants	17.278	5938, 6934, 5924, 7675	-	166,993
Total WIOA Cluster			432,442	1,082,743
Other Programs				
Department of Labor Reentry Employment Opportunities	17.270		663,497	1,146,150
Wisconsin Department of Health Services—Senior Community Service Employment Program	17.235	435100-G23-225466- 390	-	388,625
Wisconsin Department of Workforce Development— WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	5341, 5284, DW- 39218-22-60-A- 55	163,571	334,252
Department of the Treasury Wisconsin Department of Workforce Development— Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	6275	1,241	932,967
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	22-522-2023	-	102,029
Total expenditures of federal awards			\$ 1,260,751	\$ 5,828,221

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, 2023

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, 2023. 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 and the *Allowable Cost Policy Manual* 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, 2023

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, 2023

DHS identification number	435400-O19-0659FST-RG11-01 R3
Award amount	\$2,027,685
Award period	10/1/20-9/30/23
Period of award within audit period	<u>7/1/22-6/30/23</u>
A. Expenditures reported to DHS for payment or revenue received	\$ 1,841,455
B. Total operating costs of award	
Assistance to individuals	597,231
Salaries and wages	798,804
Employee benefits	142,589
Payroll taxes	61,816
Professional fees	52,878
Supplies	17,640
Telephone	39,666
Occupancy	60,719
Equipment rental and maintenance	1,580
Travel	11,800
Conferences and meetings	4,496
Other	<u>52,236</u>
B. Total operating costs of awards	<u>\$ 1,841,455</u>
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	-
E. Total allowable costs	<u>\$ 1,841,455</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, 2023

DHS identification number	435100-G23-225466-290
Award amount	\$390,201
Award period	7/1/22-6/30/23
Period of award within audit period	<u>7/1/22-6/30/23</u>
A. Expenditures reported to DHS for payment or revenue received	\$ 388,625
B. Total operating costs of award	
Assistance to individuals	-
Salaries and wages	330,663
Employee benefits	20,619
Payroll taxes	25,018
Professional fees	1,260
Supplies	791
Telephone	3,216
Occupancy	2,901
Equipment rental and maintenance	105
Travel	1,666
Conferences and meetings	188
Other	<u>2,198</u>
B. Total operating costs of awards	<u>\$ 388,625</u>
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	-
E. Total allowable costs	<u>\$ 388,625</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, 2023

Wisconsin Department of Workforce Development

	WIOA Title I Administration	WIOA Title I Adult	WIOA Title I Youth	WIOA Title I Dislocated Worker	Rapid Response	ERDWG	STC / Opioid	WAI Worker Advance	Quest	Win with Wisconsin's Workforce	Youth Apprentice
REVENUES											
Government grants	\$ 126,432	\$ 391,220	\$ 434,031	\$ 89,553	\$ 32,191	\$ 246,950	\$ 85,880	\$ 932,967	\$ 1,421	\$ 9,317	\$ 142,943
Leased employee revenue	-	-	-	-	-	-	-	-	-	-	-
Program service revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenues	126,432	391,220	434,031	89,553	32,191	246,950	85,880	932,967	1,421	9,317	142,943
EXPENSES											
Grants and allocations	-	178,063	254,379	(62)	-	127,529	36,104	1,241	-	-	-
Specific assistance to individuals	-	171,051	93,288	9,037	-	77,985	15,855	722,861	-	-	37,443
Salaries and wages	79,153	22,661	46,811	9,763	21,682	27,780	23,068	134,879	981	2,917	61,558
Employee benefits	26,134	4,025	13,859	1,866	5,303	6,617	3,654	30,368	147	849	6,089
Payroll taxes	5,711	1,741	3,425	738	1,567	2,079	1,800	10,413	72	243	4,879
Professional fees	2,234	412	969	160	559	632	677	4,270	20	49	1,727
Supplies	1,225	261	593	117	2	429	258	3,218	29	24	944
Telephone	1,945	3,950	4,386	3,593	897	662	839	6,144	19	33	1,457
Occupancy	3,861	1,440	3,145	625	1,253	1,538	1,235	8,492	63	135	3,943
Equipment rental and maintenance	156	61	110	20	37	66	35	231	2	4	119
Travel	1,526	280	1,285	60	84	351	1,066	3,593	8	4,949	4,937
Conferences and meetings	625	330	497	229	22	124	306	600	2	3	325
Other	3,862	6,945	11,284	63,407	785	1,158	983	6,657	78	111	19,522
Total expenses	126,432	391,220	434,031	89,553	32,191	246,950	85,880	932,967	1,421	9,317	142,943
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE
 Year Ended June 30, 2023

	Wisconsin Department of Children and Families IL/FC	Wisconsin Department of Corrections	Wisconsin Department of Health Services		Department of Labor	Green County	Richland County	Grant County	Rock County 5.0 Interns	Other	Total
			Title V-SCSEP	FSET	Pathway Home 2						
REVENUES											
Government grants	\$ 102,029	\$ 175,447	\$ 388,625	\$ 1,841,455	\$ 1,146,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,146,611
Leased employee revenue	-	-	-	-	-	359,793	260,808	131,960	72,634	58,737	883,932
Program service revenue	-	-	-	-	-	-	-	-	-	363,373	363,373
Total revenues	102,029	175,447	388,625	1,841,455	1,146,150	359,793	260,808	131,960	72,634	422,110	\$ 7,393,916
EXPENSES											
Grants and allocations	-	-	-	-	663,497	-	-	-	-	-	1,260,751
Specific assistance to individuals	23,310	11,392	-	597,231	200,444	-	-	-	19,000	1,229	1,980,126
Salaries and wages	45,031	93,933	330,663	798,804	178,377	293,213	192,970	106,538	48,650	111,381	2,630,813
Employee benefits	17,865	23,506	20,619	142,589	28,519	23,123	44,763	9,284	1,126	29,799	440,104
Payroll taxes	3,125	7,291	25,018	61,816	13,646	23,506	15,278	8,478	3,722	8,106	202,654
Professional fees	1,446	3,240	1,260	52,878	5,784	-	-	-	-	7,948	84,265
Supplies	890	3,232	791	17,640	3,274	-	-	-	-	4,703	37,630
Telephone	1,076	3,836	3,216	39,666	10,434	-	-	-	-	3,943	86,096
Occupancy	3,222	4,810	2,901	60,719	12,815	-	-	-	-	8,283	118,480
Equipment rental and maintenance	105	185	105	1,580	429	-	-	-	-	266	3,511
Travel	3,413	18,573	1,666	11,800	14,049	19,699	6,025	7,613	24	2,873	103,874
Conferences and meetings	214	421	188	4,496	5,375	-	-	-	-	426	14,183
Other	2,332	5,028	2,198	52,236	9,507	252	1,772	47	112	7,520	195,796
Total expenses	102,029	175,447	388,625	1,841,455	1,146,150	359,793	260,808	131,960	72,634	186,477	7,158,283
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,633	\$ 235,633

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 Southwest Wisconsin Workforce Development Board, Inc.'s statement of financial position as of June 30, 2023, 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 30, 2023.

Report on 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 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 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 or significant deficiencies may exist that were not identified.

Report on 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 30, 2023

DRAFT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 Each Major Program

Opinion on Each Major Program

We have audited Southwest Wisconsin Workforce Development Board, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of Southwest Wisconsin Workforce Development Board, Inc.'s major programs for the year ended June 30, 2023. Southwest Wisconsin Workforce Development Board, Inc.'s major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southwest Wisconsin Workforce Development Board, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards (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*. Our responsibilities under those standards, the Uniform Guidance, and the *Guidelines* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southwest Wisconsin Workforce Development Board, 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. Our audit does not provide a legal determination of Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, Inc.'s government programs.

Auditor's Responsibilities 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 Southwest Wisconsin Workforce Development Board, 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 GAAS, *Government Auditing Standards*, the

Uniform Guidance, and the *Guidelines* 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 Southwest Wisconsin Workforce Development Board, Inc.'s compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, 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 Southwest Wisconsin Workforce Development Board, 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 Southwest Wisconsin Workforce Development Board, 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 and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Southwest Wisconsin Workforce Development Board, 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 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 compliance requirement 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 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 and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Wegner CPAs, LLP
Madison, Wisconsin
November 30, 2023

DRAFT

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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
Is a material weakness in internal control over financial reporting disclosed?	No
Is a significant deficiency in internal control over financial reporting disclosed?	None reported
Is any noncompliance that is material to the financial statements disclosed?	No

Federal Awards

Type of report the auditor issued on compliance for major federal programs:	Unmodified
Is a material weakness in internal control over major federal programs disclosed?	No
Is a significant deficiency in internal control over major federal programs disclosed?	None reported
Is any audit finding that is required to be reported under 2 CFR 200.516(a) disclosed?	No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
17.270	Reentry Employment Opportunities

Dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR 200.518(b)(1):	\$ 750,000
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Did the auditee qualify as a low-risk auditee under 2 CFR 200.520?	Yes
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FINANCIAL STATEMENT FINDINGS

No matters were reported.

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, 2023

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 noncompliance, non-material noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comment, excess revenue, or excess reserve) related to grants and contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Workforce Development	No
Department of Health Services	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 30, 2023

DRAFT

Program Year 2022-23 WIOA Performance Results - Updated

Indicator	Cohort Information	Actual Level	Negotiated Level	50%	90%
Employment Rate 2nd Quarter after Exit	55/69	79.70%	63%	32%	57%
Employment Rate 4th Quarter after Exit	58/74	78.40%	70%	35%	63%
Median Earnings	55	\$8,008	\$6,000	\$3,000	\$5,400
Credential Attainment Rate	21/32	65.60%	66%	33%	59%
Measurable Skill Gains	40/43	75.50%	55%	28%	50%
Indicator	Cohort Information	Actual Level	Negotiated Level	50%	90%
Employment Rate 2nd Quarter after Exit	44/52	84.60%	72%	36%	65%
Employment Rate 4th Quarter after Exit	50/56	89.30%	76%	38%	68%
Median Earnings	44	\$10,087	\$8,100	\$4,050	\$7,290
Credential Attainment Rate	16/29	55.20%	74%	37%	67%
Measurable Skill Gains	24/37	64.90%	60%	30%	54%
Indicator	Cohort Information	Actual Level	Negotiated Level	Updated Level	90%
Employment Rate 2nd Quarter after Exit	24/28	85.70%	67%	34%	60%
Employment Rate 4th Quarter after Exit	40/59	67.80%	72%	36%	65%
Median Earnings	23	\$4,406	\$3,400	\$1,700	\$3,060
Credential Attainment Rate	37/50	74.00%	50%	25%	45%
Measurable Skill Gains	53/59	89.80%	57%	29%	51%
Exceed Performance Goal				12	12
Met Performance Goal				3	2
Failed Performance Goal					1

**Department of Workforce Development
Employment and Training Division**
Bureau of Workforce Training
201 E. Washington Avenue
P.O. Box 7972
Madison, WI 53707
Telephone: (608) 266-5370
Fax: (608) 267-0330
Email: dwdet@dwd.wisconsin.gov



Tony Evers, Governor
Amy Pechacek, Secretary-designee

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September 6, 2023

John Meyers, Chief Elected Official
3110 County Road K
Barneveld, WI 53507

Dear Mr. Meyers:

We have completed our review of the Workforce Board membership materials submitted for certification of the Southwest Wisconsin Workforce Development Board (SWWDB). At this time, the Southwest Wisconsin Workforce Development Board is certified for the period from July 1, 2023, through June 30, 2025.

The Workforce Innovation and Opportunity Act (WIOA) Section 107 requires that the Chief Elected Official (CEO) in each of the local areas must appoint a local workforce board comprised of individuals from certain areas of business, government, and non-profit agencies. Section 107(c)(2) requires that, every two years, the State recertify each workforce development board.

On August 3, 2023, the Department of Workforce Development Division of Employment and Training (DWD-DET) requested the following documents be submitted by September 1, 2023:

- Completed Membership Chart,
- Copies of All Members' Signed Conflict of Interest Disclosure Forms.

If you have any questions, please contact the Local Program Liaison assigned to your local area, Bridgette Stoeckel, at bridgette.stoeckel@dwd.wisconsin.gov.

Sincerely,

DocuSigned by:

A handwritten signature in black ink that reads "Stephanie Elmer".

Stephanie Elmer

Director, Bureau of Workforce Training

cc: Maria Lauck, SWWDB Chairperson
Rhonda Suda, SWWDB Executive Director
Tara Cowe-Spigai, Section Chief
Bridgette Stoeckel, Local Program Liaison

**Department of Workforce Development
Employment and Training Division**
Bureau of Workforce Training
201 E. Washington Avenue
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Email: dwdet@dwd.wisconsin.gov

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Tony Evers, Governor
Amy Pechacek, Secretary-designee

September 7, 2023

Rhonda Suda, Director
Southwest Wisconsin Workforce Development Board
1717 Center Avenue
Janesville, WI 53546

Dear Ms. Suda:


Thank you for your responses to the 2022-23 Coordinated Monitoring Report issued by the Division of Employment and Training (DET) on March 28, 2023.

At this time, our office has completed reviewing your response and has concluded that the actions described in your response appropriately resolve all issues. The report resulted in no disallowed costs.

This concludes the PY21 monitoring of the Southwest Wisconsin Workforce Development Board. We hope our review has provided you with helpful information and observations to assist you in the management of your programs.

If you have any questions or comments, please contact the Local Program Liaison assigned to your area, Bridgette Stoeckel by email at bridgette.stoeckel@dwd.wisconsin.gov.

Sincerely,

DocuSigned by:


BF3950F0C26DAFE...
Stephanie Elmer
Director, Bureau of Workforce Training

CC: Maria Lauck, Southwest Wisconsin Workforce Development Board Chair
John Meyers, Chief Local Elected Official
Tara Cowe-Spigai, Section Chief
Babucarr Kebbeh, Section Chief
Bridgette Stoeckel, Local Program Liaison

Audit Ad Hoc Committee Meeting
Monday, October 2, 2023
Meeting Minutes

The Audit Ad Hoc Committee of the Southwest Wisconsin Workforce Development Board (SWWDB) met on Monday, October 2, 2023, via video conference. Attendance was as follows:

Members Present:	Mr. Geoff Fricke Mr. Keith Kruse	Ms. Lisa Omen Mr. Brian Toutant
Members Excused:	Ms. Maria Lauck Mr. John Meyers	Mr. James Otterstein
Guests Present:	Mr. Derek Hilst, Wegner LLP	
Staff Present:	Ms. Katie Gerhards Ms. Rhonda Suda	Ms. Danielle Thousand

The meeting was called to order at 8:30 a.m.

1. Discuss 2022-23 Audit with Wegner, LLP Audit Associates

Wegner LLP will be conducting the Program Year (PY) 2022-23 audit virtually starting Monday, October 2, 2023. Wegner staff will test the Southwest Wisconsin Workforce Development Board (SWWDB) financial statements, along with Uniform Guidance and FASB regulations and review SWWDB financial statements for compliance, unusual variances, and disallowed and/or questioned costs. They will also assess with reasonable assurance that the statements are free of material misstatement, that the correct accounting principles were used, and evaluate the overall financial statement presentation.

Derek Hilst, Senior Manager at Wegner CPAs, provided an overview of the audit. The single audit this year will focus on the Workforce Advancement Initiative (WAI) and Pathways Home 2 (PH2). Both of these programs are new and are considered high-risk. Last year's focus was the Foodshare Employment and Training (FSET) program.

Mr. Hilst and his team will review proper revenue recognition and management override of controls. Non-compliance with grants and contracts will also be reviewed. The goal is to have a draft audit report to SWWDB by November 17. Mr. Hilst will present the draft report to the full Board at their December meeting.

Ms. Thousand and the SWWDB finance team have already uploaded most of the requested documentation. The request for invoices was received last Thursday. By Friday afternoon, the documents were available for Mr. Hilst and his team.

Ms. Suda asked if there are any new trends in annual audits that Mr. Hilst has not seen in the past. Mr. Hilst said the lease standard is new. There are also many federal funds due to COVID and has seen infrastructure funds coming through, too.

Ms. Suda opened the floor for questions or concerns from Board and/or committee members. There were none.

2. Closed Session (upon request)

Pursuant to Wis. Stats. 19.85 (1) (f), if necessary, the committee may hold confidential discussions with the audit team regarding issues or concerns they would want examined during the audit.

Committee members agreed that they did not feel it was necessary to move to a closed session.

3. Reconvene in Open Session

There was no closed session.

4. Audit Close Meeting

The Audit Ad Hoc Committee will meet at 9:00 a.m. on Thursday, October 5, 2023, via video conference. The preliminary results will be discussed during this meeting.

5. Adjournment

The meeting adjourned at 8:39 a.m.

Audit Ad Hoc Committee Meeting
 Thursday, October 5, 2023
Meeting Minutes

The Audit Ad Hoc Committee of the Southwest Wisconsin Workforce Development Board (SWWDB) met on Thursday, October 5, 2023, via video conference. Attendance was as follows:

Members Present:	Ms. Maria Lauck, Chairperson Mr. Geoff Fricke Mr. Keith Kruse	Dr. Tracy Pierner Mr. Brian Toutant
Members Excused:	Mr. John Meyers Ms. Lisa Omen	Mr. James Otterstein
Guests Present:	Mr. Scott Haumersen, Wegner LLP	Mr. Derek Hilst, Wegner LLP
Staff Present:	Ms. Katie Gerhards Ms. Rhonda Suda	Ms. Danielle Thousand

The meeting was called to order at 9:00 a.m.

1. Provide Summary of 2022-23 Audit Procedures: Wegner, LLP Audit Associates

Derek Hilst, Senior Manager at Wegner CPAs, and his team worked with the SWWDB finance team on the audit this week for SWWDB's fiscal year ending June 30, 2023. The purpose of this meeting is for Wegner LLP Audit associates to provide committee members, SWWDB staff, and Board members with preliminary audit results.

Mr. Hilst and his team focused on two (2) programs: Pathways Home 2 (PH2) and the Workforce Advancement Initiative (WAI). Both programs are new and over \$750,000 was spent last year in each program. This makes the programs high risk and subject to audit. PH2 funding comes from the Department of Labor (DOL) and WAI funding is from the Department of Treasury.

In the past, Wegner CPAs alternates auditing each year between the Workforce Innovation and Opportunity Act (WIOA) and the Foodshare Employment and Training (FSET) program. These programs have been monitored in the last two (2) years and are considered low risk. FSET was the major program audited last year.

On Monday, October 9, Mr. Hilst and the audit team will review eligibility in the PH2 grant with Marcia Galvan, SWWDB's Special Projects Supervisor, at the Rock County Job Center. Testing of sub-recipient monitoring also needs to be done.

Mr. Hilst has identified that there is no modification under the PH2 contract after SWWDB's cost allocation plan was approved. Ms. Suda explained that SWWDB received a federal award in the form of the PH2 grant. After the PH2 contract was signed, SWWDB administration sent a request for approval of SWWDB's cost allocation plan. It was approved. Typically, if there is a change in the contract, a modification needs to be made. However, Wegner CPAs cannot find that one was issued. Mr. Hilst has reached out to DOL to confirm that there should have been a contract modification issued to acknowledge the cost allocation plan approval.

Mr. Hilst is also working on payroll with Ms. Thousand. Mr. Hilst is looking for a specific report that might not be available through Paychex (SWWDB's payroll software). Ms. Thousand has offered to virtually show Wegner CPAs what is needed. It is a work in progress.

Scott Haumersen, Senior Partner at Wegner CPAs, reported that there are no concerns at this point in the audit. As a result of the financial audit, Mr. Hilst is not proposing any changes and does not see any adjustments that need to be made.

Ms. Suda opened the floor for comments and questions. Ms. Lauck asked Mr. Hilst if the audit is complete. Mr. Hilst said no. There are two (2) pending items: payroll and the cost allocation plan with DOL. Mr. Hilst stated more testing will be done today and is hoping to finish today as well.

Mr. Haumersen added that he has been a partner on SWWDB's audit account for many years and is retiring in December. A replacement for Mr. Haumersen has been found and both Mr. Haumersen and his replacement will be at the December Board meeting.

2. Closed Session (upon request)

Pursuant to Wis. Stats. 19.85 (1) (f), if necessary, the committee may hold confidential discussions with the audit team regarding issues or concerns they would want examined during the audit.

Committee members agreed that they did not feel it was necessary to move to a closed session.

3. Reconvene in Open Session

There was no closed session.

4. Adjournment

The meeting adjourned at 9:17 a.m.



Priority of Service Under the WIOA Adult Program

E-030

Purpose. The Workforce Innovation and Opportunity Act (WIOA) Section 134(c)(3)(E), states that in regard to funds allocated to a local area for adult employment and training activities, priority shall be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient for receipt of career services and training services.

This document defines the policy of the Southwest Wisconsin Workforce Development Board (SWWDB) in applying the federal provisions related to priority of service.

Definitions. In application of this policy, the following definitions apply:

Basic Skills Deficient:

1. who is a youth, that the individual has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test; or
2. who is a youth or adult, that the individual is unable to compute or solve problems, or read, write, or speak English, at a level necessary to function on the job, in the individual's family, or in society.

Covered individual: is someone who is a Veteran and/or eligible spouse.

Low-Income Individual: [WIOA Sec. 3(36)(A)]: In general, the term "low income individual" means an individual meets one of the criteria below:

1. Receives, or in the past six (6) months has received, or is a member of a family that is receiving or in the past six (6) months has received, assistance through:
 - a. The supplemental nutrition assistance program (SNAP) established under the Food and Nutrition Act of 2008, (7 U.S.C. 2011 et seq.); or
 - b. The program of block grants to states for temporary assistance for needy families (TANF) program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or
 - c. The supplemental security income (SSI) program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.); or
 - d. State or local income-based public assistance.
2. Is in a family with total family income that does not exceed the higher of:
 - a. The poverty line; or
 - b. 70 percent of the Lower Living Standard Income Level (LLSIL)
3. Is a homeless individual (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6))), or a homeless child or youth (as defined under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 1143a(2)));
4. Receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);
5. Is a foster child on behalf of whom State or local government payments are made;
6. Is an individual with a disability whose own income meets the income requirement of clause (ii) (i.e., the poverty line; or 70% of the Lower Living Standard Income Level (LLSIL)) but who is a member of a family whose income does not meet this requirement.



Priority of Service Under the WIOA Adult Program

E-030

Priority: a covered individual shall take precedence (priority) over a non-covered individual in obtaining individualized career and training services. Once established as a covered individual under this policy, an individual shall receive access to individualized career and training services instead of or before a non-covered person. However, priority does not allow for the "bumping" of a non-covered individual who has previously been accepted and approved for these services in accordance with the individual's Employment Plan.

Policy.

In accordance with WIOA provisions and regulations, SWWDB provides workforce-related services and training to eligible participants to the broadest extent possible. It shall be the policy of SWWDB to give priority to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient. Priority of service shall apply to covered clients eligible for adult WIOA individualized career and training activities/services. Dislocated workers are not subject to this requirement.

SWWDB shall apply, in conjunction with Policy E-070 – Veterans Priority of Service, the following priorities for service:

- First Priority shall be given to potential recipients of individualized career and training services who are Veteran/eligible spouses, receiving public assistance and/or low income and/or basic skills deficient.
- Second Priority shall be given to potential recipients of individualized career and training services who are non-covered persons who are receiving public assistance and/or low income and/or basic skills deficient.
- Third Priority shall be given to any person otherwise eligible for the WIOA Adult Program, Veteran/eligible spouses who are not low-income nor basic skills deficient,
- Fourth Priority shall be given to anyone who does not belong to one of the groups above, but belongs to a priority population established by DWD-DET or SWWDB.
- Fifth Priority shall be given to anyone else who is eligible for the WIOA Adult Program.

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The Board directs the Chief Executive Officer (CEO) to develop and maintain priority of service policy and procedures that comply with WIOA and other applicable regulations as they may change from time to time. The Chief Executive Officer (CEO) shall ensure that required systems and procedures are developed and maintained.

SWWDB shall require every program operator receiving adult funds through a WIOA contract with SWWDB to provide recipients of public assistance, other low-income individuals, and basic-skills deficient adults priority of service as outlined in this policy. Program operators shall inform covered individuals of their right to priority for career and training services by establishing organizational processes that will enable recipients of public assistance and other low-income



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individuals to identify themselves at the point of entry to the system or program when they will be given the opportunity to take full advantage of the priority. Furthermore, program operators shall provide recipients of public assistance and other low-income individuals with information on all services available under the WIOA Adult programs and all eligibility requirements necessary for participation. Contracted program operators may provide the information either verbally or in writing, during orientation, assessment, or enrollment. Once priority has been assigned, it shall be documented in ASSET case notes.

SWWDB will also update managed websites, in accordance with Veterans' Program Letter 07-09, to inform veterans/eligible spouses of their entitlement to priority of service.

Program operator compliance with this policy will be reviewed during the SWWDB monitoring and will be a factor in SWWDB's evaluation of the program operator's performance. Any disallowed costs associated with failure of the program operator or its staff to comply with this policy will be the responsibility of the program operator.

Deviations from this policy are not allowed.

Reference: Workforce Innovation and Opportunity Act – Section 134 (c)(3)(E)
 Workforce Innovation and Opportunity Act Proposed Rules – 20 CFR 680.600
 USDOL, ETA, Training and Guidance Letter (TEGL) #03-15, dated July 1, 2015, RE: Guidance on Services Provided through the Adult and Dislocated Worker Program under the Workforce Innovation and Opportunity Act (WIOA or Opportunity Act) and Wagner Peyser, as Amended by WIOA, and Guidance for the Transition to WIOA Services
[USDOL, ETA, Training and Guidance Letter \(TEGL\) #19-16, dated April 23, 2020, RE: Workforce Innovation and Opportunity Act \(WIOA\) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year \(PY\) 2020; PY 2020 Allotments for the Wagner-Peyser Act Employment Service \(ES\) Program and the Allotments of Workforce Information Grants to States for PY 2020](#)
 SWWDB Policy E-070 – Veterans Priority of Service
[WIOA Title I-A & I-B Policy & Procedure Manual, Section 8.3.2, Priority of Service](#)

Policy Adopted: **March 14, 2012;**

Policy Revised: **December 9, 2015; June 27, 2016; December 13, 2023**