

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fox Valley Workforce Development Board, Inc.
Neenah, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Fox Valley Workforce Development Board, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fox Valley Workforce Development Board, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

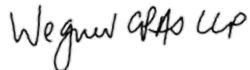
Other Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021 on our consideration of Fox Valley 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 Fox Valley 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 Fox Valley Workforce Development Board, Inc.'s internal control over financial reporting and compliance.



Wegner CPAs, LLP
Waukesha, Wisconsin
December 31, 2021

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 68,229	\$ 33,665
Accounts receivable, net	15,345	136,228
Grants receivable	248,951	104,957
Prepaid expenses	<u>20,090</u>	<u>22,214</u>
Total current assets	352,615	297,064
Property and equipment, net	<u>4,426</u>	<u>5,447</u>
Total assets	<u><u>\$ 357,041</u></u>	<u><u>\$ 302,511</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 79,129	\$ 28,536
Accrued payroll and related expenses	47,428	35,581
Refundable advances	7,503	57,558
Paycheck Protection Program advance	<u>33,351</u>	<u>-</u>
Total liabilities	167,411	121,675
NET ASSETS		
Without donor restrictions	<u>189,630</u>	<u>180,836</u>
Total liabilities and net assets	<u><u>\$ 357,041</u></u>	<u><u>\$ 302,511</u></u>

See accompanying notes.

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

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS		
Grants	\$ 1,754,465	\$ 1,610,595
Paycheck Protection Program	51,274	58,000
Fees for services	77,253	178,940
Miscellaneous income	3,790	2,250
Total revenues and gains without donor restrictions	1,886,782	1,849,785
EXPENSES AND LOSSES		
Employment and training	1,563,569	1,611,972
Management and general	314,419	321,220
Total expenses	1,877,988	1,933,192
Loss on disposal of property and equipment	-	8,798
Total expenses and losses	1,877,988	1,941,990
Change in net assets	8,794	(92,205)
Net assets at beginning of year	180,836	273,041
Net assets at end of year	\$ 189,630	\$ 180,836

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2021 and 2020

	2021			2020		
	Employment and Training	Management and General	Total Expenses	Employment and Training	Management and General	Total Expenses
Salaries	\$ 234,692	\$ 114,214	\$ 348,906	\$ 239,373	\$ 133,656	\$ 373,029
Payroll taxes	19,373	7,418	26,791	20,125	8,877	29,002
Retirement plan	10,338	3,732	14,070	10,929	4,904	15,833
Other benefits	3,734	24,721	28,455	1,235	20,038	21,273
Participants and support	581,737	-	581,737	572,299	-	572,299
Occupancy	33,764	20,735	54,499	62,198	11,920	74,118
Travel	4,674	339	5,013	15,486	1,167	16,653
Conferences	10,401	1,004	11,405	3,117	892	4,009
Supplies	16,580	10,671	27,251	26,246	2,423	28,669
Contracted services	32,398	32,767	65,165	50,079	7,320	57,399
Professional fees	5,162	80,311	85,473	13,435	106,319	119,754
Telephone	1,788	3,692	5,480	4,755	3,190	7,945
Printing and postage	17,637	643	18,280	3,993	1,557	5,550
Advertising	-	-	-	10	84	94
Depreciation	-	1,021	1,021	-	3,378	3,378
Other	7,515	13,151	20,666	12,408	15,495	27,903
Grants to subrecipients	583,776	-	583,776	576,284	-	576,284
Total expenses	\$ 1,563,569	\$ 314,419	\$ 1,877,988	\$ 1,611,972	\$ 321,220	\$ 1,933,192

See accompanying notes.

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,794	\$ (92,205)
Adjustments to reconcile change in net assets to net change in cash		
Depreciation	1,021	3,378
Bad debts	-	8,607
Loss on disposal of property and equipment	-	8,798
(Increase) decrease in assets		
Accounts receivable	120,883	(128,071)
Grants receivable	(143,994)	115,060
Prepaid expenses	2,124	(4,056)
Increase (decrease) in liabilities		
Accounts payable	50,593	(27,825)
Accrued payroll and related expenses	11,847	(1,255)
Refundable advances	(50,055)	(1,041)
Paycheck Protection Program advance	33,351	-
Net change in cash	34,564	(118,610)
Cash at beginning of year	33,665	152,275
Cash at end of year	\$ 68,229	\$ 33,665

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Fox Valley Workforce Development Board, Inc. (FVWDB) was organized as a nonprofit corporation in 1983. FVWDB prepares youth, dislocated workers, and unskilled adults for entry into the workforce and provides economically disadvantaged individuals and others facing barriers to employment with job training in Calumet, Fond du Lac, Green Lake, Waupaca, Waushara and Winnebago counties in Wisconsin. FVWDB also provides services to businesses and community-based organizations. FVWDB is primarily supported by grants.

Accounts Receivable

Accounts receivable primarily represent amounts that have been billed for services provided by FVWDB. Accounts receivable are reported at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivables. As of June 30, 2021, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary. As of June 30, 2020, accounts receivable are reported net of an allowance for doubtful accounts of \$8,607.

Property and Equipment

Purchases of property and equipment in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method. Certain equipment has been purchased with grant funds from the Wisconsin Department of Workforce Development (DWD). FVWDB owns equipment acquired with grant funds while used in the programs for which they were purchased or in other future authorized programs. However, DWD has a reversionary interest in those assets. Their disposition, as well as any proceeds, is subject to DWD regulations.

Grants

FVWDB receives grants from government agencies and others that are conditioned upon FVWDB incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by FVWDB, 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 FVWDB 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.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Paycheck Protection Program Loan

FVWDB received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. FVWDB's expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. FVWDB's recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

Fees for Services

FVWDB provides services and training advancing the employment goals of people with disabilities. These services include employment and benefits counseling to people with disabilities who are considering or pursuing employment. FVWDB also offers consultation, training and technical assistance to employers, human service professionals, disability advocates, government agencies, and the public regarding disability and employment issues. FVWDB provides these services primarily under contracts with government agencies and other institutions. Revenue from these services is recognized at the point in time when FVWDB provides the particular service. FVWDB 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. All expenses except for participants and support, printing and postage, professional fees, contracted services, depreciation, and grants to subrecipients are allocated on the basis of estimates of time and effort.

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

Employment and training—Help prepare youth and unskilled adults for entry into the workforce. Also, provide job training to economically disadvantaged individuals and others facing barriers to employment.

Management and general—Includes the costs necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of FVWDB, and perform other administrative tasks.

Income Tax Status

FVWDB is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, FVWDB 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).

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 December 31, 2021, the date which the financial statements were available to be issued.

NOTE 2—RETIREMENT PLAN

FVWDB sponsors a 401(k)-retirement plan. Employees who have three months of service and are at least 21 years of age are eligible to participate in the plan. The following employees are not eligible for the plan: Non-resident aliens, leased employees, union, temp/seasonal (teacher program), and employees in paid training role. Employer contributions are determined at the discretion of the board of directors and vest with the employee over three years. Retirement expense for the years ended June 30, 2021 and 2020 was \$14,070 and \$15,833, respectively.

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2021	2020
Leasehold improvements	\$ -	\$ 37,316
Equipment	77,163	77,163
Property and equipment	77,163	114,479
Less accumulated depreciation	72,737	109,032
Property and equipment, net	\$ 4,426	\$ 5,447

NOTE 4—DEBT

FVWDB has a \$50,000 line of credit with the State Bank of Chilton through June 9, 2022. The interest rate is prime plus 1.00% (currently 3.25%) and is reviewed annually. There was no activity on the credit line during the years ended June 30, 2021 and 2020.

NOTE 5—CONDITIONAL GRANTS

FVWDB has several grants that are conditioned upon FVWDB incurring qualifying expenses under the grant programs. At June 30, 2021, these conditional grants total approximately \$1,115,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6— LEASES

FVWDB leases office space on a month-to-month or annual basis at various job centers for operation of its programs. Two fixed term agreements require monthly payments of \$503 and \$285, respectively, and expire in June 2022 with options to extend for one year. FVWDB has two leases that have no fixed terms. The two leases require monthly payments of \$2,326 and \$160, respectively. Rent expense for the years ended June 30, 2021 and 2020 was \$54,268 and \$74,065, respectively.

Future minimum lease payments for year ended June 30, 2022 are \$9,459.

NOTE 7—LIQUIDITY AND AVAILABILITY

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

	2021	2020
Cash	\$ 68,229	\$ 33,665
Accounts receivable, net	15,345	136,228
Grants receivable	248,951	104,957
	\$ 332,525	\$ 274,850

As part of FVWDB'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. As further discussed in Note 5, FVWDB has a line of credit that it can draw upon when cash is needed to meet current obligations.

NOTE 8—ECONOMIC DEPENDENCY

FVWDB receives approximately 80% of its support from DWD.

NOTE 9—PAYCHECK PROTECTION PROGRAM LOANS

FVWDB received loans totaling \$142,625 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On March 9, 2021, the SBA preliminary approved forgiveness of the FVWDB's first draw loan. FVWDB has applied for forgiveness of its second draw loan. FVWDB must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review FVWDB's good-faith certification concerning the necessity of its loan request, whether FVWDB calculated the loan amount correctly, whether FVWDB used loan proceeds for the allowable uses specified in the CARES Act, and whether FVWDB is entitled to loan forgiveness in the amount claimed on its application. If SBA determines FVWDB was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listings Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
WIOA Cluster				
Department of Labor				
Wisconsin Department of Workforce Development— WIOA Adult Program	17.258	3787, 3789	\$ 146,599	\$ 364,364
Wisconsin Department of Workforce Development— WIOA Youth Activities	17.259	3787, 3788	204,380	337,496
Wisconsin Department of Workforce Development— WIOA Dislocated Worker Formula Grants	17.278	3787, 3790, 3795	202,804	419,064
Wisconsin Department of Workforce Development— WIOA Adult Program—COVID19	17.258	3851	-	40,457
Wisconsin Department of Workforce Development— WIOA Youth Activities—COVID19	17.259	3851	-	40,457
Wisconsin Department of Workforce Development— WIOA Dislocated Worker Formula Grants—COVID19	17.278	3851	-	40,457
Total WIOA Cluster			553,783	1,242,295
Other Programs				
Department of Labor				
Wisconsin Department of Health Services—Senior Community Service Employment Program	17.235	560410	-	206,044
Wisconsin Department of Workforce Development— H-1B Job Training Grants	17.268	3852	-	5,163
Wisconsin Department of Workforce Development— WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	3837	6,767	67,993
Total expenditures of federal awards			<u>\$ 560,550</u>	<u>\$ 1,521,495</u>
State Grantor/Program		State Identifying Number	Provided to Subrecipients	Total State Expenditures
Wisconsin Department of Workforce Development Fast Forward		445.109	\$ -	\$ 81,895

See accompanying notes to schedule of expenditures federal and state awards.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

NOTE 1—BASIS OF PRESENTATION

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3—INDIRECT COST RATE

Fox Valley Workforce Development Board, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Years Ended June 30, 2021

There were no prior audit findings.

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

DHS identification number	CARS 560410
Award amount	\$220,000
Award period	7/1/20-6/30/21
Period of award within audit period	<u>7/1/20-6/30/21</u>
A. Expenditures reported to DHS or revenue received	\$ 206,044
B. Total operating costs of award	
1 Employee Salaries and Wages	126,090
2 Employee Fringe Benefits	4,968
3 Payroll Taxes	9,422
4 Rent or Occupancy	2,664
5 Professional Services	646
6 Conferences, Meetings or Education	44,770
7 Supplies	1,216
8 Telephone	27
9 Postage and Shipping	229
10 Other	<u>16,012</u>
Total operating costs of award	206,044
C. Less disallowed costs	-
D. Less program revenue and other offsets to costs	<u>-</u>
E. Total allowable costs	\$ 206,044
F. Gain or (Loss) = Line A - Line E	<u><u>\$ -</u></u>

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

To the Board of Directors
Fox Valley Workforce Development Board, Inc.
Neenah, 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 Fox Valley Workforce Development Board, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fox Valley 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 Fox Valley Workforce Development Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Fox Valley Workforce Development Board, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fox Valley 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
Waukesha, Wisconsin
December 31, 2021

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

To the Board of Directors
Fox Valley Workforce Development Board, Inc.
Neenah, Wisconsin

Report on Compliance for Major Federal Program and Major State Program

We have audited Fox Valley Workforce Development Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on Fox Valley Workforce Development Board, Inc.'s major federal program and its major state program for the year ended June 30, 2021. Fox Valley Workforce Development Board, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Major Federal Program and Major State Program

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

Report on Internal Control Over Compliance

Management of Fox Valley Workforce Development Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements

referred to above. In planning and performing our audit of compliance, we considered Fox Valley Workforce Development Board, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program and its major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and its major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fox Valley Workforce Development Board, Inc.'s internal control over compliance.

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

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

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



Wegner CPAs, LLP
Waukesha, Wisconsin
December 31, 2021

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

Section I—Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal program:

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

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

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

Identification of major federal program:

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

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

Auditee qualified as low-risk auditee? Yes

Section II—Financial Statement Findings

No matters were reported.

Section III—Federal and State Award Findings and Questioned Costs

No matters were reported.

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

Section IV—Other Issues

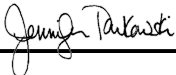
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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

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

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

Name and signature of partner



Jennifer Tarkowski, CPA

Date of report

December 31, 2021