

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

We have audited the financial statements of Fox Valley 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 Fox Valley 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 Fox Valley 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.

#### ***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 Fox Valley 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 Fox Valley 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 Fox Valley 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*, and DHS Cost Reimbursement Award Schedule 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 January 15, 2024, 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*

Wegner CPAs, LLP  
Waukesha, Wisconsin  
January 15, 2024

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 34,375	\$ 156,790
Accounts receivable	132,712	65,074
Grants receivable	330,515	328,570
Prepaid expenses	35,415	21,275
Total current assets	533,017	571,709
<b>EQUIPMENT</b>		
Equipment	21,211	87,403
Accumulated depreciation	(15,059)	(74,047)
Equipment, net	6,152	13,356
<b>Total assets</b>	<u>\$ 539,169</u>	<u>\$ 585,065</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 204,014	\$ 232,096
Accrued payroll and related expenses	60,821	36,307
Refundable advances	897	33,710
Total liabilities	265,732	302,113
<b>NET ASSETS</b>		
Without donor restrictions	273,437	282,952
<b>Total liabilities and net assets</b>	<u>\$ 539,169</u>	<u>\$ 585,065</u>

See accompanying notes.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
REVENUES		
Grants	\$ 3,356,494	\$ 2,399,429
Paycheck Protection Program	-	33,351
Fees for services	175,263	156,306
Miscellaneous income	7,153	5,893
	<u>3,538,910</u>	<u>2,594,979</u>
Total revenues without donor restrictions		
EXPENSES		
Employment and training	3,158,101	2,208,796
Management and general	390,324	292,861
	<u>3,548,425</u>	<u>2,501,657</u>
Total expenses		
<b>Change in net assets</b>	(9,515)	93,322
Net assets at beginning of year	<u>282,952</u>	<u>189,630</u>
<b>Net assets at end of year</b>	<u>\$ 273,437</u>	<u>\$ 282,952</u>

See accompanying notes.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended June 30, 2023 and 2022

	2023			2022		
	Employment and Training	Management and General	Total Expenses	Employment and Training	Management and General	Total Expenses
Salaries	\$ 483,017	\$ 121,552	\$ 604,569	\$ 357,736	\$ 117,735	\$ 475,471
Payroll taxes	37,254	9,298	46,552	27,824	9,007	36,831
Retirement plan	15,007	3,483	18,490	12,795	3,142	15,937
Other benefits	37,680	2,254	39,934	27,949	11,297	39,246
Participants and support	1,579,270	-	1,579,270	1,017,824	-	1,017,824
Occupancy	25,894	4,378	30,272	18,600	20,215	38,815
Travel	18,768	680	19,448	10,371	640	11,011
Conferences	6,342	10,162	16,504	2,100	2,690	4,790
Supplies	40,101	12,428	52,529	31,005	10,934	41,939
Contracted services	83,194	3,928	87,122	35,348	8,101	43,449
Professional fees	-	183,800	183,800	-	85,350	85,350
Telephone	4,020	1,219	5,239	3,384	1,547	4,931
Printing and postage	23,625	24,538	48,163	24,029	2,197	26,226
Advertising	-	-	-	1,572	200	1,772
Depreciation	-	1,204	1,204	-	1,310	1,310
Other	7,003	11,400	18,403	5,767	18,496	24,263
Grants to subrecipients	796,926	-	796,926	632,492	-	632,492
<b>Total expenses</b>	<b>\$ 3,158,101</b>	<b>\$ 390,324</b>	<b>\$ 3,548,425</b>	<b>\$ 2,208,796</b>	<b>\$ 292,861</b>	<b>\$ 2,501,657</b>

See accompanying notes.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (9,515)	\$ 93,322
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,204	1,310
Loss on disposal of equipment	6,000	-
(Increase) decrease in assets		
Accounts receivable	(67,638)	(49,729)
Grants receivable	(1,945)	(79,619)
Prepaid expenses	(14,140)	(1,185)
Increase (decrease) in liabilities		
Accounts payable	(28,082)	151,644
Accrued payroll and related expenses	24,514	(9,798)
Refundable advances	(32,813)	26,207
Paycheck Protection Program advance	-	(33,351)
Net cash flows from operating activities	(122,415)	98,801
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	-	(10,240)
<b>Change in cash</b>	(122,415)	88,561
Cash at beginning of year	156,790	68,229
<b>Cash at end of year</b>	<u>\$ 34,375</u>	<u>\$ 156,790</u>

See accompanying notes.



**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Fox Valley Workforce Development Board, Inc. (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 to job center partners. Accounts receivable are stated at the amount management expects to be collected 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**

Purchases of 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.

Grants are subject to financial and compliance reviews and audits by 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 and audits could result in claims against FVWDB for disallowed costs or noncompliance with the provisions of contracts and grant agreements. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews and audits.

**Date of Management's Review**

Management has evaluated subsequent events through January 15, 2024, the date which the financial statements were available to be issued.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Revenue Recognition**

FVWDB provides various employment-related services to individuals, companies, and government agencies. Job fair registration fees received in advance are deferred and recognized as revenue when the job fair occurs. Revenue from job center and other employment-related services is recognized when FVWDB provides the particular service.

**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.

**Leases**

FVWDB does not recognize short-term leases in the statements of financial position. For these leases, FVWDB recognizes the lease payments in the change in net assets in the period in which the obligation for those payments is incurred.

**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).

**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.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 2—RETIREMENT PLAN**

FVWDB sponsors a defined contribution plan covering all employees who have three months of service and are at least 21 years of age. Employer contributions are determined at the discretion of the board of directors and vest over three years. Retirement expense for the years ended June 30, 2023 and 2022 was \$18,490 and \$15,937, respectively.

**NOTE 3—DEBT**

FVWDB has a \$50,000 line of credit, which was unused at June 30, 2023 and 2022. Advances on the credit line carry an interest rate of 9.75%.

**NOTE 4—CONDITIONAL GRANTS**

FVWDB has several grants that are conditioned upon FVWDB incurring qualifying expenses under the grant programs. At June 30, 2023, these conditional grants total approximately \$2,503,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

**NOTE 5—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 FVWDB's first draw loan. On October 22, 2021, the SBA preliminary approved forgiveness of FVWDB's 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.

**NOTE 6—ECONOMIC DEPENDENCY**

FVWDB receives approximately 70% of its support from DWD.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 34,375	\$ 156,790
Accounts receivable	132,712	65,074
Grants receivable	<u>330,515</u>	<u>328,570</u>
	<u>\$ 497,602</u>	<u>\$ 550,434</u>

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 3, FVWDB has a line of credit that it can draw upon when cash is needed to meet current obligations.

**FOX VALLEY 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 Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>WIOA Cluster</b>				
Department of Labor				
Wisconsin Department of Workforce Development— WIA/WIOA Adult Program	17.258	3787, 3789	\$ 171,254	\$ 530,183
Wisconsin Department of Workforce Development— WIA/WIOA Youth Activities	17.259	3787, 3788	183,750	369,233
Wisconsin Department of Workforce Development— WIA/WIOA Dislocated Worker Formula Grants	17.278	3787, 3790, 3795	192,900	363,873
<b>Total WIOA Cluster</b>			547,904	1,263,289
<b>Other Programs</b>				
Department of Labor				
Wisconsin Department of Health Services—Senior Community Service Employment Program	17.235	560410	-	234,260
Wisconsin Department of Workforce Development— H-1B Job Training Grants	17.268	3852	58,082	184,301
Wisconsin Department of Workforce Development— WIOA National Dislocated Worker Grants WIA National Emergency Grants	17.277	3837	84,469	536,278
Wisconsin Department of Workforce Development— Reentry Employment Opportunities	17.270		86,164	314,789
Department of Treasury				
Wisconsin Department of Workforce Development— Coronavirus State and Local Fiscal Recovery Funds	21.027		11,448	579,735
<b>Total expenditures of federal awards</b>			<b>\$ 788,067</b>	<b>\$ 3,112,652</b>

See accompanying notes to schedule of expenditures federal awards.

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2023

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NOTE 1—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Fox Valley 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 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  
Year Ended June 30, 2023

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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, 2023

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<b>DHS identification number</b>	CARS 560410
<b>Award amount</b>	\$ 255,945
<b>Award period</b>	7/1/22-6/30/23
<b>Period of award within audit period</b>	<u>7/1/22-6/30/23</u>
<b>A. Expenditures reported to DHS or revenue received</b>	<b>\$ 234,260</b>
<b>B. Total operating costs of award</b>	
1 Employee Salaries and Wages	180,967
2 Employee Fringe Benefits	7,742
3 Payroll Taxes	14,600
4 Rent or Occupancy	1,683
5 Professional Services	489
6 Conferences, Meetings or Education	5,922
7 Supplies	2,196
8 Telephone	113
9 Postage and Shipping	115
10 Other	<u>20,433</u>
<b>Total operating costs of award</b>	<b>234,260</b>
<b>C. Less disallowed costs</b>	-
<b>D. Less program revenue and other offsets to costs</b>	<u>-</u>
<b>E. Total allowable costs</b>	<b><u>\$ 234,260</u></b>
<b>F. Gain or (Loss) = Line A - Line E</b>	<b><u>\$ -</u></b>



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 Fox Valley 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 January 15, 2024.

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

### **Report on 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  
January 15, 2024

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

**Report on Compliance for Each Major Program**

***Opinion on Each Major Program***

We have audited Fox Valley 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 Fox Valley Workforce Development Board, Inc.'s major programs for the year ended June 30, 2023. Fox Valley 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, Fox Valley 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 Fox Valley 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 Fox Valley 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 Fox Valley 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 Fox Valley 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 Fox Valley Workforce Development Board, Inc.'s compliance with the requirements of each major 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 Fox Valley 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 Fox Valley 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 Fox Valley 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*

Wegner CPAs, LLP  
Waukesha, Wisconsin  
January 15, 2024

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2023

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**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
17.258, 17.259, 17.278	WIOA Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

**FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2023

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**OTHER ISSUES**

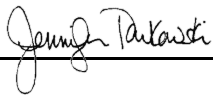
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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 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:

January 15, 2024