

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2024 and 2023

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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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fox Valley Workforce Development Board, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Fox Valley Workforce Development Board, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, as of July 1, 2023. 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 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*, is 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 GAAS. In our opinion, the schedule of expenditures of federal awards 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 16, 2025, 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
January 16, 2025

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 65,727	\$ 34,375
Accounts receivable	53,392	132,712
Grants receivable	307,469	330,515
Prepaid expenses	25,819	35,415
Total current assets	452,407	533,017
EQUIPMENT		
Equipment	33,711	21,211
Accumulated depreciation	(16,710)	(15,059)
Equipment, net	17,001	6,152
Total assets	<u>\$ 469,408</u>	<u>\$ 539,169</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 227,046	\$ 204,014
Accrued payroll and related expenses	34,095	60,821
Refundable advances	14,128	897
Total liabilities	275,269	265,732
NET ASSETS		
Without donor restrictions	194,139	273,437
Total liabilities and net assets	<u>\$ 469,408</u>	<u>\$ 539,169</u>

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Grants	\$ 2,897,438	\$ 3,356,494
Fees for services	155,630	175,263
Miscellaneous income	19,090	7,153
	<u>3,072,158</u>	<u>3,538,910</u>
Total revenues without donor restrictions		
EXPENSES		
Employment and training	2,651,896	3,158,101
Management and general	366,848	390,324
	<u>3,018,744</u>	<u>3,548,425</u>
Total expenses		
Loss on job center costs	<u>132,712</u>	<u>-</u>
Total expenses and losses	<u>3,151,456</u>	<u>3,548,425</u>
Change in net assets	(79,298)	(9,515)
Net assets at beginning of year	<u>273,437</u>	<u>282,952</u>
Net assets at end of year	<u><u>\$ 194,139</u></u>	<u><u>\$ 273,437</u></u>

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2024 and 2023

	2024			2023		
	Employment and Training	Management and General	Total Expenses	Employment and Training	Management and General	Total Expenses
Salaries	\$ 443,261	\$ 114,349	\$ 557,610	\$ 483,017	\$ 121,552	\$ 604,569
Payroll taxes	38,430	8,748	47,178	37,254	9,298	46,552
Retirement plan	18,780	136	18,916	15,007	3,483	18,490
Other benefits	30,635	1,526	32,161	37,680	2,254	39,934
Participants and support	1,046,765	-	1,046,765	1,579,270	-	1,579,270
Occupancy	28,008	2,130	30,138	25,894	4,378	30,272
Travel	19,476	478	19,954	18,768	680	19,448
Conferences	7,414	-	7,414	6,342	10,162	16,504
Supplies	41,058	-	41,058	40,101	12,428	52,529
Contracted services	64,520	21,756	86,276	83,194	3,928	87,122
Professional fees	-	190,535	190,535	-	183,800	183,800
Telephone	4,047	71	4,118	4,020	1,219	5,239
Printing and postage	24,552	-	24,552	23,625	24,538	48,163
Depreciation	347	1,304	1,651	-	1,204	1,204
Other	6,659	25,815	32,474	7,003	11,400	18,403
Grants to subrecipients	877,944	-	877,944	796,926	-	796,926
Total expenses	\$ 2,651,896	\$ 366,848	\$ 3,018,744	\$ 3,158,101	\$ 390,324	\$ 3,548,425

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (79,298)	\$ (9,515)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,651	1,204
Loss on disposal of equipment	-	6,000
Loss on job center costs	132,712	-
(Increase) decrease in assets		
Accounts receivable	(53,392)	(67,638)
Grants receivable	23,046	(1,945)
Prepaid expenses	9,596	(14,140)
Increase (decrease) in liabilities		
Accounts payable	23,032	(28,082)
Accrued payroll and related expenses	(26,726)	24,514
Refundable advances	13,231	(32,813)
Net cash flows from operating activities	43,852	(122,415)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(12,500)	-
Change in cash	31,352	(122,415)
Cash at beginning of year	34,375	156,790
Cash at end of year	\$ 65,727	\$ 34,375

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Fox Valley Workforce Development Board, Inc. (FVWDB) focuses on workforce needs in Calumet, Fond du Lac, Green Lake, Waupaca, Waushara and Winnebago counties in Wisconsin. 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. FVWDB also provides employment-related 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 employment-related services provided to individuals, companies, and government agencies. Accounts receivable are stated at the amount management expects to be collected from outstanding balances based on historical collection experience, current knowledge of circumstances that may affect the ability of clients to meet their obligations, and future forecasts of collections. As such, credit losses are expected to be insignificant.

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 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 the 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 16, 2025, the date which the financial statements were available to be issued.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

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.

Accounts receivable from contracts with customers are as follows:

	2024	2023
Accounts receivable at beginning of year	\$ 132,712	\$ 65,074
Accounts receivable at end of year	53,392	132,712

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 and 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 statement 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).

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Guidance

On June 16, 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The intent of this Update is to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by the reporting entity. This Update requires an entity to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Update also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements.

Fox Valley Workforce Development Board, Inc. adopted the requirements of this Update, as amended, effective July 1, 2023. The adoption of this Update did not have a material effect on Fox Valley Workforce Development Board, Inc.'s financial statements but did change how the allowance for credit losses is determined.

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.

NOTE 2—RETIREMENT PLAN

FWWDB 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, 2024 and 2023, was \$18,916 and \$18,490, respectively.

NOTE 3—DEBT

FWWDB has a \$50,000 line of credit, which was unused at June 30, 2024 and 2023. Advances on the credit line carry an interest rate of 9.75%.

NOTE 4—CONDITIONAL GRANTS

FWWDB has several grants that are conditioned upon FWWDB incurring qualifying expenses under the grant programs. At June 30, 2024, these conditional grants total approximately \$1,034,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 5—ECONOMIC DEPENDENCY

FWWDB receives approximately 70% of its support from DWD.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 6—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 7—LIQUIDITY AND AVAILABILITY

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

	2024	2023
Cash	\$ 65,727	\$ 34,375
Accounts receivable	53,392	132,712
Grants receivable	307,469	330,515
	\$ 426,588	\$ 497,602

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, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
WIOA Cluster				
Department of Labor				
Wisconsin Department of Workforce Development— WIA/WIOA Adult Program	17.258	3787, 3789	\$ 157,457	\$ 402,136
Wisconsin Department of Workforce Development— WIA/WIOA Youth Activities	17.259	3787, 3788	215,475	446,338
Wisconsin Department of Workforce Development— WIA/WIOA Dislocated Worker Formula Grants	17.278	3787, 3790, 3795	137,928	323,310
Total WIOA Cluster			510,860	1,171,784
Other Programs				
Department of Labor				
Wisconsin Department of Health Services—Senior Community Service Employment Program	17.235	560410	-	110,566
Wisconsin Department of Workforce Development— H-1B Job Training Grants	17.268	3852	12,000	105,181
Wisconsin Department of Workforce Development— WIOA National Dislocated Worker Grants WIA National Emergency Grants	17.277	3837	202,845	605,793
Wisconsin Department of Workforce Development— Reentry Employment Opportunities	17.270		88,749	315,254
Department of Treasury				
Wisconsin Department of Workforce Development— Coronavirus State and Local Fiscal Recovery Funds	21.027		63,491	336,987
Total expenditures of federal awards			\$ 877,945	\$ 2,645,565

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, 2024

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, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Department of Health Services Audit Guide*. 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 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

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, 2024

There were no prior audit findings.

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* AND THE
DEPARTMENT OF HEALTH SERVICES AUDIT GUIDE

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 (*Government Auditing Standards*), and the *Department of Health Services Audit Guide* issued by the Wisconsin Department of Health Services, 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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2025.

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* or the *Department of Health Services Audit Guide*.

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.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
Waukesha, Wisconsin
January 16, 2025

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

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

Report on Compliance for Major Federal Program

Opinion on Major Federal 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* that could have a direct and material effect on Fox Valley Workforce Development Board, Inc.'s major federal program for the year ended June 30, 2024. 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.

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

Basis for Opinion on Major Federal 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* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of 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 on compliance for the major federal program. 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 federal 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fox Valley Workforce Development Board, Inc.'s compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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, 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 with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Wegner CPAs LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
January 16, 2025

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

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

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, 2024

OTHER ISSUES

Identification of DHS-funded programs tested:

DHS Identification Number	Name of Program
560410	TITLE V - SCSEP

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

Does the auditor's 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 *Department of Health Services Audit Guide* :

Department of Health Services No

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

Name of audit partner: Jennifer Tarkowski, CPA