

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

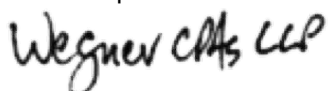
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 and state 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 March 31, 2026, 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
March 31, 2026

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 131,445	\$ 65,727
Accounts receivable	20,220	53,392
Grants receivable	234,932	307,469
Prepaid expenses	<u>14,079</u>	<u>25,819</u>
Total current assets	400,676	452,407
EQUIPMENT		
Equipment	33,711	33,711
Accumulated depreciation	<u>(22,181)</u>	<u>(16,710)</u>
Equipment, net	<u>11,530</u>	<u>17,001</u>
Total assets	<u><u>\$ 412,206</u></u>	<u><u>\$ 469,408</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 222,850	\$ 227,046
Accrued payroll and related expenses	29,702	34,095
Refundable advances	<u>25,181</u>	<u>14,128</u>
Total liabilities	277,733	275,269
NET ASSETS		
Without donor restrictions	<u>134,473</u>	<u>194,139</u>
Total liabilities and net assets	<u><u>\$ 412,206</u></u>	<u><u>\$ 469,408</u></u>

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Grants	\$ 2,509,543	\$ 2,897,438
Fees for services	193,278	155,630
Miscellaneous income	2,817	19,090
	<u>2,705,638</u>	<u>3,072,158</u>
Total revenues without donor restrictions	2,705,638	3,072,158
EXPENSES		
Employment and training	2,383,146	2,651,896
Management and general	382,158	366,848
	<u>2,765,304</u>	<u>3,018,744</u>
Total expenses	2,765,304	3,018,744
Loss on job center costs	<u>-</u>	<u>132,712</u>
Total expenses and losses	<u>2,765,304</u>	<u>3,151,456</u>
Change in net assets	(59,666)	(79,298)
Net assets at beginning of year	<u>194,139</u>	<u>273,437</u>
Net assets at end of year	<u><u>\$ 134,473</u></u>	<u><u>\$ 194,139</u></u>

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2025 and 2024

	2025			2024		
	Employment and Training	Management and General	Total Expenses	Employment and Training	Management and General	Total Expenses
Salaries	\$ 413,694	\$ 106,467	\$ 520,161	\$ 443,261	\$ 114,349	\$ 557,610
Payroll taxes	29,183	8,145	37,328	38,430	8,748	47,178
Retirement plan	13,495	3,473	16,968	18,780	136	18,916
Other benefits	28,581	7,474	36,055	30,635	1,526	32,161
Participants and support	746,242	-	746,242	1,046,765	-	1,046,765
Occupancy	6,709	23,482	30,191	28,008	2,130	30,138
Travel	25,553	197	25,750	19,476	478	19,954
Conferences	1,896	-	1,896	7,414	-	7,414
Supplies	25,938	8,808	34,746	41,058	-	41,058
Contracted services	153,074	10,020	163,094	64,520	21,756	86,276
Professional fees	-	192,392	192,392	-	190,535	190,535
Telephone	4,569	612	5,181	4,047	71	4,118
Printing and postage	34,954	1,329	36,283	24,552	-	24,552
Depreciation	-	5,471	5,471	347	1,304	1,651
Other	14,358	14,288	28,646	6,659	25,815	32,474
Grants to subrecipients	884,900	-	884,900	877,944	-	877,944
Total expenses	\$ 2,383,146	\$ 382,158	\$ 2,765,304	\$ 2,651,896	\$ 366,848	\$ 3,018,744

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (59,666)	\$ (79,298)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	5,471	1,651
Loss on job center costs	-	132,712
(Increase) decrease in assets		
Accounts receivable	33,172	(53,392)
Grants receivable	72,537	23,046
Prepaid expenses	11,740	9,596
Increase (decrease) in liabilities		
Accounts payable	(4,196)	23,032
Accrued payroll and related expenses	(4,393)	(26,726)
Refundable advances	11,053	13,231
Net cash flows from operating activities	65,718	43,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	-	(12,500)
Change in cash	65,718	31,352
Cash at beginning of year	65,727	34,375
Cash at end of year	<u>\$ 131,445</u>	<u>\$ 65,727</u>

See accompanying notes.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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 March 31, 2026, the date which the financial statements were available to be issued.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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:

	2025	2024
Accounts receivable at beginning of year	\$ 53,392	\$ 132,712
Accounts receivable at end of year	20,220	53,392

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, 2025 and 2024

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.

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, 2025 and 2024, was \$16,968 and \$18,916, respectively.

NOTE 3—CONDITIONAL GRANTS

FVWDB has several grants that are conditioned upon FVWDB incurring qualifying expenses under the grant programs. At June 30, 2025, 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 4—ECONOMIC DEPENDENCY

FVWDB receives approximately 70% of its support from DWD.

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 ineligible amount.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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:

	<u>2025</u>	<u>2024</u>
Cash	\$ 131,445	\$ 65,727
Accounts receivable	20,220	53,392
Grants receivable	<u>234,932</u>	<u>307,469</u>
	<u>\$ 386,597</u>	<u>\$ 426,588</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.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2025

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— WIOA Adult Program	17.258	3787, 3789	\$ 93,369	\$ 255,997
Wisconsin Department of Workforce Development— WIOA Youth Activities	17.259	3787, 3788	190,250	307,433
Wisconsin Department of Workforce Development— WIOA Dislocated Worker Formula Grants	17.278	3787, 3790, 3795	<u>152,962</u>	<u>306,800</u>
Total WIOA Cluster			436,581	870,230
Other Programs				
Department of Labor				
Wisconsin Department of Health Services— Senior Community Service Employment Program	17.235	560410	-	253,785
Wisconsin Department of Workforce Development— H-1B Job Training Grants	17.268	3852	25,972	58,968
Wisconsin Department of Workforce Development— WIOA National Dislocated Worker Grants/ WIA National Emergency Grants	17.277	3837	189,580	506,420
Wisconsin Department of Workforce Development— Reentry Employment Opportunities	17.270		219,179	326,665
Department of the Treasury				
Wisconsin Department of Workforce Development—COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		13,588	69,304
Department of Justice				
Wisconsin Department of Corrections Second Chance Act Reentry Initiative	16.812		-	<u>53,010</u>
Total expenditures of federal awards			<u>\$ 884,900</u>	<u>\$ 2,138,382</u>
State Grantor/Program Title		State Identifying Number	Provided to Subrecipients	Total State Expenditures
Wisconsin Department of Workforce Development				
Wisconsin Fast Forward: Menasha Preprinting		445.109	\$ -	\$ 43,339
Wisconsin Fast Forward: Trailer Technician		445.109	-	<u>29,128</u>
Total expenditures of state awards			<u>\$ -</u>	<u>\$ 72,467</u>

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, 2025

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, 2025. 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 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, 2025

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, 2025, 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 March 31, 2026.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying in schedule of findings and responses or schedule of findings and questioned costs as 2025-001.

Fox Valley Workforce Development Board, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Fox Valley Workforce Development Board, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Fox Valley Workforce Development Board, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
March 31, 2026

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, 2025. 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, 2025.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Fox Valley Workforce Development Board, Inc.'s response, described in the accompanying schedule of findings and questioned costs, to the noncompliance finding identified in our compliance audit. Fox Valley Workforce Development Board, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.


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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Fox Valley Workforce Development Board, Inc.'s response, described in the accompanying schedule of findings and questioned costs, to the internal control over compliance findings identified in our compliance audit. Fox Valley Workforce Development Board, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
Waukesha, Wisconsin
March 31, 2026

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

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?	Yes

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?	Yes
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?	Yes

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

Finding 2025-001

Material Weakness: As discussed at Finding 2025-002, FVWDB did not prepare formal written reports documenting the results of subrecipient monitoring activities. Because of the failure to report, there is a lack of evidence of subrecipient compliance and monitoring effectiveness. FVWDB should develop and implement written procedures for formal written subrecipient monitoring reports, assign responsibility, provide adequate training, and ensure key elements are included in monitoring reports.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2025-002

Assistance Listing Number(s): 17.258, 17.259, 17.278
Name of Federal Program or Cluster: WIOA Cluster
Name of Federal Agency: Department of Labor
Federal Award Identification Number: 24A55AY000086
Federal Award Year: 2024

Criteria:

Per 2 CFR 200.331(d), pass-through entities are required to:

“Monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. The pass-through entity must evaluate each subrecipient’s risk of noncompliance and monitor accordingly. The pass-through entity must also issue a management decision on audit findings and maintain documentation of monitoring results.”

Condition:

The organization did not produce formal written reports documenting the results of monitoring activities for federal subrecipients, as required by 2 CFR 200.331(d). Monitoring was performed verbally or through informal documentation only.

Cause:

The organization has limited personnel available to perform detailed monitoring.

Existing written procedures do not clearly require the preparation of formal written subrecipient monitoring reports.

Effect:

The organization cannot demonstrate compliance with federal requirements for subrecipient oversight.

Risk that noncompliance by subrecipients may go undetected and unaddressed.

Potential findings in federal audits due to insufficient monitoring documentation.

Recommendation:

Develop and implement written procedures that clearly define the requirement for formal written subrecipient monitoring reports.

Include standardized templates for monitoring reports that document findings, corrective actions, timelines, and follow-up procedures.

FOX VALLEY WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2025

Assign responsibility and provide training for staff on monitoring procedures and federal reporting requirements.

Management Response:

Subsequent to the year end, written policies and procedures have been developed and implemented. The policies and procedures will ensure that a final written report is completed and issued to each subrecipient.

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