

Workforce Alliance of South Central Kansas, Inc.

Wichita, Kansas

Financial Statements and
Supplementary Information

Year Ended June 30, 2021



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Workforce Alliance of South Central Kansas, Inc.

Financial Statements and Supplementary Information

Year Ended June 30, 2021

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Independent Auditor's Report

Board of Directors
Workforce Alliance of South Central Kansas, Inc.
Wichita, Kansas

Report on Financial Statements

We have audited the accompanying financial statements of Workforce Alliance of South Central Kansas, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Workforce Alliance of South Central Kansas, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal 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 is 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. Such 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. 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 April 7, 2022, on our consideration of Workforce Alliance of South Central Kansas, 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 Workforce Alliance of South Central Kansas, 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 Workforce Alliance of South Central Kansas, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
April 7, 2022

Workforce Alliance of South Central Kansas, Inc.

Statement of Financial Position

June 30, 2021

Assets	
Current assets:	
Cash and funds held for others	\$ 587,698
Grants receivable	438,709
Related-party receivable	21,546
Prepaid expenses	112,281
Total current assets	1,160,234
Property and equipment, net	200,640
TOTAL ASSETS	\$ 1,360,874
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 161,625
Accrued payroll and related expenses	230,022
Compensated absences and related expenses	217,049
Funds held for others	134,778
Refundable advances	17,907
Current portion of capital lease payable	82,295
Total current liabilities	843,676
Capital lease payable	116,795
Total liabilities	960,471
Net assets:	
Without donor restriction	400,403
TOTAL LIABILITIES AND NET ASSETS	\$ 1,360,874

See accompanying notes to financial statements.

Workforce Alliance of South Central Kansas, Inc.

Statement of Activities

Year Ended June 30, 2021

Revenue:	
Grant revenue	\$ 7,167,108
Program income	53,780
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Total revenue	7,220,888
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Expenses:	
Program activities:	
Workforce Investment Program	3,578,271
Senior Community Services Employment Program	686,845
KEEP H-1B Grant	348,401
Health Profession Opportunity Project	226,900
Apprenticeship USA	118,658
RETAIN	182,284
Workforce Innovation Fund	75,535
Pathways	62,955
CARES Act	967,480
Other programs	676,406
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Total program activities	6,923,735
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Management and general	317,413
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Total expenses	7,241,148
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Change in net assets	(20,260)
Net assets - Beginning of the Year	420,663
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Net assets - End of the Year	\$ 400,403

See accompanying notes to financial statements.

Workforce Alliance of South Central Kansas, Inc.

Statement of Functional Expenses

Year Ended June 30, 2021

	Program	Management & General	Total
Expenses:			
Wages	\$ 2,654,699	\$ 129,102	\$ 2,783,801
Payroll taxes	206,051	9,201	215,252
Benefits	459,025	19,562	478,587
Rent	315,139	16,146	331,285
Security	25,187	631	25,818
Utilities	29,312	5,877	35,189
Insurance	14,148	14,681	28,829
Office supplies	25,845	1,259	27,104
Office equipment / furniture	109,157	407	109,564
Postage	689	52	741
Dues and subscriptions	28,643	3,228	31,871
Conference	531	1,887	2,418
Job fairs	215	0	215
Meetings	7,278	725	8,003
Outreach	13,501	6,498	19,999
Staff development	1,831	560	2,391
Travel	6,122	749	6,871
Contract services	153,440	106,848	260,288
Miscellaneous	(392)	0	(392)
Depreciation expense	39,283	0	39,283
Interest expense	11,185	0	11,185
Incentives	18,717	0	18,717
Education and training	2,307,987	0	2,307,987
Supportive services	256,073	0	256,073
Subrecipient pass-thru	240,069	0	240,069
Total expenses	\$ 6,923,735	\$ 317,413	\$ 7,241,148

Workforce Alliance of South Central Kansas, Inc.

Statement of Cash Flows

Year Ended June 30, 2021

Increase (decrease) in cash and funds held for others:	
Cash flows from operating activities:	
Change in net assets	(\$ 20,260)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	39,283
Changes in operating assets and liabilities:	
Grants receivable	92,955
Related-party receivable	76,629
Prepaid expenses	(15,585)
Accounts payable	(29,887)
Accrued payroll and related expenses	46,447
Compensated absences and related expenses	14,732
Funds held for others	45,567
Refundable advances	(278,784)
Net cash used in operating activities	(28,903)
Cash flows from financing activities	
Principal payments on capital lease obligation	(42,044)
Net cash used in financing activities	(42,044)
Change in cash and funds held for others	(70,947)
Cash and funds held for others - Beginning of the Year	658,645
Cash and funds held for others- End of the Year	\$ 587,698
Reconciliation of cash and funds held for others:	
Cash	\$ 452,940
Funds held for others	134,758
Total cash and funds held for others	\$ 587,698
Schedule of other cash activity	
Cash paid for interest expense	\$ 11,185
Noncash investing and financing activities:	
Asset acquisition through capital lease	\$ 159,512

See accompanying notes to financial statements.

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Workforce Alliance of South Central Kansas, Inc. (the "Organization") is a tax-exempt, nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The Organization incorporated in 2001 following the passage of the Workforce Investment Act (WIA) of 1998. As the Local Workforce Investment Board (LWIB) for Butler, Cowley, Harper, Kingman, Sedgwick, and Sumner counties in the state of Kansas, the primary duties of the Organization are to manage federal job training funds, operate One-Stop Workforce Centers and coordinate the public workforce system in South Central Kansas. The Workforce Innovation and Opportunity Act (WIOA) became effective July 1, 2015, and replaces WIA. The LWIB transitioned to the Local Workforce Development Board (LWDB) on that date and continues to operate programs and One-Stop centers across South Central Kansas.

The Organization's services are funded primarily through WIA/WIOA. A significant reduction in the level of this support could have an adverse effect on the Organization's programs and services. Approximately 73% of grant funding is direct from the United States Department of Labor and federal pass-through funds received from the State of Kansas Department of Commerce.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Funds Held for Others

The Organization manages activities associated with the Regional Economic Area Partnership (REAP) program. The cash is held separately in a cash account with a corresponding liability as ownership of the funds rests with the REAP organization. Neither the receipt nor the disbursement of REAP funds are recognized as an operating activity in the Organizations financial statements as the Organization is acting as the fiscal agent.

Related-party Receivable

Related-party receivable represents costs shared with partner agencies for office spaces and other services that were requested for reimbursement. No estimate is made for doubtful receivables, as the Organization believes they are fully collectible.

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment for which title passes to the Organization is capitalized and stated at cost. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the period. The cost of maintenance and repairs is charged to operations as incurred. Depreciation is provided by straight-line method over the estimated useful lives of the assets. The useful lives for computer equipment, software licenses, and office equipment are 3, 10, and 5 years, respectively. Whenever events or changes in circumstances occur that indicate the carrying amount of long-lived assets may not be recoverable, management reviews the assets for possible impairment.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of grant-funded property and equipment as of June 30, 2021, is \$200,640.

Classification of Net Assets

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Currently, the Organization does not have any net assets with donor restrictions.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reflected as refundable advances.

B. Grant Awards That Are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed. Amounts received in excess of those earned are reflected in the statement of financial position as a contract liability.

Income Taxes

The Organization is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and Kansas income taxes.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Cost Allocation

Direct costs that can be identified specifically with a final cost objective are directly charged to the program benefited. Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all of the Organization's programs, which cannot be readily identified with a final cost objective.

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. On June 3, 2020, FASB issued ASU 2020, ASU No. 2016-12, *Leases (Topic 842)* that extended the effective date for certain entities to annual periods beginning after December 15, 2021. ASU No. 2016-02 must be applied modified retrospectively. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

Subsequent Events

Subsequent events have been evaluated through April 7, 2022, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

As of June 30, 2021, the Organization has \$286,572 of financial assets available within one year of the statement of financial position date consisting of cash of \$452,920, grants receivable of \$438,709 and related party receivable of \$21,546 offset by accounts payable of \$161,625, accrued expenses of \$447,071 and refundable advances of \$17,907. The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash. The Organization can rely on a lower cash balance as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source (see Note 10).

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 3: Cash and Funds Held for Others

The Organization maintains its cash in bank deposits that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash deposits. The following table represents the detail cash balances, as of June 30, 2021:

Bank account:	
WIOA cash	\$ 119,550
Non-Federal cash	333,390
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Total bank accounts	452,940
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Funds held for others:	
REAP	134,334
Flexible spending-employees	424
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Total funds held for others	134,758
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Total cash	\$ 587,698

Note 4: Grants Receivable

Grants receivable represents reimbursable expenditures incurred and accrued for WIOA program and other grant funds. Management does not believe that estimate for doubtful receivables would be necessary since such funds are awarded by the federal, state, and other local governments and are expected to be fully reimbursed. As of June 30, 2021, the Organization reported the following outstanding receivables:

Kansas Department of Commerce	\$ 82,210
U.S. Department of Labor	56,919
Partners 4 Work	24,932
Midwest Urban Strategies	17,180
Other	257,468
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Total	\$ 438,709

Note 5: Property and Equipment

Property and equipment consist of computer equipment, software licenses and office equipment. For the year ended June 30, 2021, depreciation expense was \$39,283. The net book value of property and equipment as of June 30, 2021, was \$200,640.

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 6: Capital Lease Obligations

The Organization leases various office systems under capital lease agreements. The minimum future lease payments under the capital leases as of June 30, 2021, in the aggregate are:

2022	\$93,894
2023	90,555
2024	27,196
2025	5,468
Total minimum lease payments	217,113
Less: amount representing interest	(18,023)
Total	\$199,090
Less: current portion	\$82,295
Total long-term portion	\$116,795

The assets recorded under the capital lease totaled \$264,376 with accumulated depreciation of \$63,736 for a net book value of \$200,640 as of June 30, 2021. Interest paid on the capital leases for the year ended June 30, 2021, was \$11,185.

Note 7: Operating Leases

The Organization leases various office space for its administrative and field offices under operating lease agreements. Lease payments net of sublease reimbursements for the year ended June 30, 2021, were \$331,285. The future rental commitments under these leases having remaining terms in excess of one year as of June 30, 2021, are as follows:

2022	\$444,901
2023	55,572
Total	\$500,473

The Organization also subleases space in the various buildings. Sublease receipts for the year ended June 30, 2021, were \$281,631. The financial statement amounts for the rent expense is reported net of these receipts. Anticipated future minimum lease receipts on the Organization's subleases as of June 30, 2021, are \$12,309.

Note 8: Retirement Plan

The Organization has a 403(b) plan covering substantially all employees. The Organization matches 100% of employee contributions up to a maximum of 3% of compensation once employed for six months. The Organization contributed \$61,451 to this Plan for the year ended June 30, 2021.

Workforce Alliance of South Central Kansas, Inc.

Notes to Financial Statements

Note 9: Related Parties

During the year ended June 30, 2021, the Organization entered into contracts for training services with the following entities. Officials of these entities also served as board members for the Organization, through June 30, 2021. The contracts were awarded through a competitive bid process and the Organization's policies were strictly followed. The board members of the Organization were not involved in the selection process and no special consideration was given in awarding the contracts. During the year ended June 30, 2021, the following amounts are reported in the Organization's financial statements:

	Expenses
Wichita Area Technical College	\$ 312,663
Wichita Electrical Joint Appr. Training Center	18,600
Plumbers & Pipefitters	7,100
Butler Community College	26,516
Spirit AeroSystems	136,088
Evergy	50,670
Kansas Department of Commerce	276,229
Wolfe Electric, Inc.	18,000
Wichita Chamber of Commerce	4,679
Sheet Metal Joint Alliance	5,400
Youngers and Sons Manufacturing	2,018
Fidelity Bank	1,309
Cowley Community College	26,050
Wichita Public Works	15,922
Total	\$ 901,244

Note 10: Grant Award Commitments

At June 30, 2021, the Organization had received future funding commitments under various grants. The remaining unspent amount of these commitments is approximately \$14,054,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

Supplementary Information

Workforce Alliance of South Central Kansas, Inc.

Schedule A-1
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	AL Number	Pass-Through Entity Identifying Number	Program Year	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE					
Direct Funding					
WSU Robotics Initiative	12.611	(not provided)	05/01/16-05/01/20	\$ -	\$ 54
Total U.S. DEPARTMENT OF DEFENSE				-	54
U.S. DEPARTMENT OF LABOR					
Passed through Kansas Department of Commerce					
Employment Service Cluster					
Employment Service - RETAIN	17.207	PY18-RETAIN-004	10/01/18-12/31/21	5,722	182,284
Senior Community Service Employment	17.235	PY20-SCSEP-004	07/01/20-06/30/21	2,819	727,784
WIOA Cluster					
WIOA Adult Program	17.258	FY20-A-004	10/01/19-06/30/21	3,906	225,925
WIOA Adult Program	17.258	PY20-A-004	07/01/20-06/30/22	1,942	114,141
WIOA Adult Program	17.258	FY21-A-004	10/01/20-06/30/22	34,287	435,061
Total Federal Expenditures - AL 17.258				40,135	775,127
WIOA Youth Program	17.259	PY19-Y-004	04/01/19-06/30/21	8,562	360,067
WIOA Youth Program	17.259	PY20-Y-004	04/01/20-06/30/22	14,011	235,228
Total Federal Expenditures - AL 17.259				22,573	595,295
WIOA Dislocated Worker Program	17.278	FY20-DW-004	10/01/19-06/30/21	-	241,036
WIOA Dislocated Worker Program	17.278	PY20-DW-004	07/01/20-06/30/22	7,583	112,001
WIOA Dislocated Worker Program	17.278	FY21-DW-004	10/01/20-06/30/22	18,014	502,960
WIOA Dislocated Worker Program	17.278	FY21-RR-004	10/01/20-09/30/21	237	21,137
Total Federal Expenditures - AL 17.278				25,834	877,134
Total Federal Expenditures - WIOA Cluster (AL 17.258, 17.259, 17.278)				88,542	2,247,556
Direct Funding					
H-1B Job Training (KAMP)	17.268	HG-30145-17-60-A-20	01/01/17-12/31/21	3,441	272,820
H-1B Job Training (KAMP)	17.268	HG-35909-21-60-A-20	02/01/21-01/31/25	22,584	75,581
Total Federal Expenditures - AL 17.268				26,025	348,401
Passed through Midwest Urban Strategies					
Pathway Home Grant Program	17.270	WA-PE-35039-20-60-A-55	07/01/20-12/31/23	1,121	67,114
Direct Funding					
National Emergency Grant - DWG	17.277	DW-34833-20-60-A-20	01/01/20-12/31/21	25,084	1,267,827
Passed through Partners 4 Work					
Midwest Urban Strategies - DWG	17.277	PY18P4W1430.0	01/01/18-09/30/21	12,756	408,227
Total Federal Expenditures - AL 17.277				37,840	1,676,054
Passed through Kansas Department of Commerce					
Work Based Learning	17.283	FY20-WBL-004	01/01/20-12/31/20	473	35,425
Work Based Learning	17.283	FY21-WBL-004	01/01/21-06/30/21	659	40,110
Total Federal Expenditures - AL 17.283				1,132	75,535

Workforce Alliance of South Central Kansas, Inc.

Schedule A-2 Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	AL Number	Pass-Through Entity Identifying Number	Program Year	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF LABOR, continued					
Passed through Kansas Department of Commerce					
Apprenticeship USA	17.285	FY17-APPEXP-004	11/01/16-10/31/20	\$ -	\$ 12,965
Apprenticeship USA	17.285	FY20-RASEG-004	07/01/19-06/30/22	-	105,693
Total Federal Expenditures - AL 17.285				-	118,658
TOTAL U.S. DEPARTMENT OF LABOR				163,201	5,443,386
U.S. DEPARTMENT OF TREASURY					
Passed through Kansas Department of Commerce					
COVID - Cares Act Funding	21.019	FY21-CARES-004	03/01/20-12/31/20	-	59,151
Passed through Sedwick County					
COVID - Cares Act Funding	21.019	700105-20C3	03/01/20-10/30/20	-	908,329
Total Federal Expenditures - AL 21.019				-	967,480
Passed through The City of Wichita Housing and Community Services Department					
COVID - Wichita Emergency Rental Assistance	21.023	(not provided)	02/24/21-09/30/21	38	17,490
TOTAL U.S. DEPARTMENT OF TREASURY				38	984,970
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Kansas Department of Commerce					
ACA Health Profession Opportunity Grants	93.093	FY20-KHPOP-004	10/01/19-09/30/20	366	59,124
ACA Health Profession Opportunity Grants	93.093	FY21-KHPOP-004	10/01/20-09/30/21	3,260	159,104
KHPOP Impact Study - Year 4	93.093	FY20-KHPOPIMP-004	10/01/19-09/30/20	-	6,154
KHPOP Impact Study - Year 5	93.093	FY21-IMPACT-004	10/01/20-09/30/21	77	2,518
Total Federal Expenditures - AL 93.093				3,703	226,900
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,703	226,900
TOTAL FEDERAL AWARDS				\$ 166,942	\$ 6,655,310

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

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

Workforce Alliance of South Central Kansas, Inc. did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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*

Board of Directors
Workforce Alliance of South Central Kansas, Inc.
Wichita, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Workforce Alliance of South Central Kansas, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Workforce Alliance of South Central Kansas, 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 Workforce Alliance of South Central Kansas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Workforce Alliance of South Central Kansas, 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Workforce Alliance of South Central Kansas, 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* and in considering Workforce Alliance of South Central Kansas, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

April 7, 2022

Independent Auditor's Report on Compliance With Requirements for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Workforce Alliance of South Central Kansas, Inc.
Wichita, Kansas

Report on Compliance for Each Major Federal Program

We have audited Workforce Alliance of South Central Kansas, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Workforce Alliance of South Central Kansas, Inc.'s major federal programs for the year ended June 30, 2021. Workforce Alliance of South Central Kansas, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide legal determination on Workforce Alliance of South Central Kansas, Inc.'s compliance.

Opinion

In our opinion, Workforce Alliance of South Central Kansas, 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 federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Workforce Alliance of South Central Kansas Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Workforce Alliance of South Central Kansas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Workforce Alliance of South Central Kansas, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
April 7, 2022

Workforce Alliance of South Central Kansas, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary Schedule of Findings and Questioned Costs

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)] No

Identification of major federal programs:

Name of Federal Major Program or Cluster AL No.

U.S. Department of Labor

WIOA Cluster 17.258, 17.259, 17.278

U.S. Department of Treasury

Coronavirus Relief Funding 21.019

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Year Findings

None