

April 7, 2022

Board of Directors  
Workforce Alliance of South Central Kansas, Inc.  
300 West Douglas, Suite 850  
Wichita, KS 67202

Dear Board of Directors:

We have audited the financial statements of Workforce Alliance of South Central Kansas, Inc. (the "Organization") for the year ended June 30, 2021, and have issued our report thereon dated April 7, 2022. Professional standards require that we provide you with the following information related to our audit:

[Our Responsibility Under Auditing Standards Generally Accepted in the United States and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\).](#)

As stated in our engagement letter dated July 12, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Organization's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the purpose of expressing an opinion on the Organization's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements.

### Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements.

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Mr. Chad Pettera, in our meeting about planning matters, in addition to our engagement letter dated July 12, 2021, accepted by Mr. Chad Pettera.

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No other new accounting policies were adopted, and the application of other existing policies was not changed during the year under audit.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the property and equipment valuation and the grant award commitments.

The disclosures in the financial statements are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Organization's financial reporting process.

### Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 7, 2022, a copy of which accompanies this letter.

### Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the Organization's financial statements or on the type of opinion which may be rendered on the financial statements.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

We appreciate the opportunity to be of service to Workforce Alliance of South Central Kansas, Inc.

This letter is intended solely for the information and use of management, Board of Directors, others within the organization, and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Wippli LLP*

Enclosure



*Serving Employers and Job Seekers in  
Butler, Cowley, Harper, Kingman, Sedgwick & Sumner Counties*

April 7, 2022

Wipfli LLP  
2501 West Beltline Highway, Suite 401  
P.O. Box 8700  
Madison, WI 53708-8700

This representation letter is provided in connection with your audit of the financial statements of Workforce Alliance of South Central Kansas, Inc. (the "Organization"), which comprise the statements 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 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

This representation letter is also provided in connection with your audit of the federal award programs of Workforce Alliance of South Central Kansas, Inc. (the "Organization") as of and for the year ended June 30, 2021, which was performed in accordance with auditing standards generally accepted in the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records from the Organization's federal programs was to obtain reasonable assurance that the Organization had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 12, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP.
2. The financial statements referred to above are fairly presented in conformity with GAAP.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date.
8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
9. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
11. Material concentrations have been properly disclosed in accordance with GAAP.
12. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with GAAP.
13. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
14. We accept responsibility for and have designated an individual with suitable skill, knowledge, or expertise to oversee the following nonattest services:
  - a. Data Collection Form preparation
  - b. Financial statement preparation assistance

**Information Provided**

15. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Organization from who you determined it necessary to obtain audit evidence.

- d. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
  17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization involving:
    - a. Management.
    - b. Employees who have significant roles in internal control.
    - c. Others where the fraud could have a material effect on the financial statements.
  19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
  20. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effect should be considered when preparing financial statements.
  21. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
  22. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
  23. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.
  24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
  25. The Organization has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
  26. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
  27. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
  28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

29. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. Heartland Works, Inc. is an exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
31. We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards in accordance with accounting principles generally accepted in the United States, and we believe the Schedule of Expenditures of Federal Awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States. The methods of measurement and presentation of the Schedule of Expenditures of Federal Awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

**With Respect to Federal Award Programs**

32. With respect to federal award programs:

- a. We are responsible for understanding and complying with, and have complied with the requirements of the Uniform Guidance and any other applicable laws and regulations and provisions of contracts and grant agreements.
- b. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program.
- c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. We believe the internal control system is adequate and is functioning as intended.
- d. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs and related activities.
- e. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- f. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards..
- g. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including

communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- h. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- i. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2CFR Part 200, Subpart E).
- j. We have disclosed to you our interpretation of compliance requirements that have varying interpretations, if any.
- k. We have made available to you all documentation relating to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- l. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- m. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- n. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the date as of which compliance was audited.
- o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- p. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- q. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance.
- r. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued with six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- s. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all



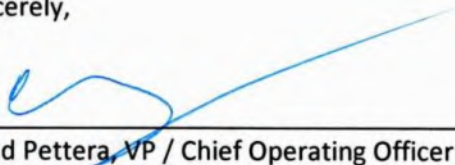
information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
  - w. We are responsible for and have accurately completed the auditee section of the Data Collection Form as required by the Uniform Guidance.
33. There have been no irregularities or instances of fraud involving management, employees who administer federal or state programs, or other employees that could have a material effect on federal programs.
34. We have identified to you any previous audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.

**Schedule of Expenditures of Federal Awards**

35. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
36. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

Sincerely,



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Chad Pettera, VP / Chief Operating Officer

# 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

<b>Assets</b>	
Current assets:	
Cash and funds held for others	\$ 587,698
Grants receivable	438,709
Related-party receivable	21,546
Prepaid expenses	112,281
<b>Total current assets</b>	<b>1,160,234</b>
Property and equipment, net	200,640
<b>TOTAL ASSETS</b>	<b>\$ 1,360,874</b>
<b>Liabilities and Net Assets</b>	
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
<b>Total current liabilities</b>	<b>843,676</b>
Capital lease payable	116,795
<b>Total liabilities</b>	<b>960,471</b>
Net assets:	
Without donor restriction	400,403
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,360,874</b>

See accompanying notes to financial statements.

# Workforce Alliance of South Central Kansas, Inc.

## Statement of Activities

Year Ended June 30, 2021

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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
<hr/>	
Management and general	317,413
<hr/>	
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

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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
<b>Total expenses</b>	<b>\$ 6,923,735</b>	<b>\$ 317,413</b>	<b>\$ 7,241,148</b>



# 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

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### **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

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### **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

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### **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

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### **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

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### 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
<hr/>	
Total bank accounts	452,940
<hr/>	
Funds held for others:	
REAP	134,334
Flexible spending-employees	424
<hr/>	
Total funds held for others	134,758
<hr/>	
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
<hr/>	
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

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### 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

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### 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
<b>U.S. DEPARTMENT OF DEFENSE</b>					
<b>Direct Funding</b>					
WSU Robotics Initiative	12.611	(not provided)	05/01/16-05/01/20	\$ -	\$ 54
<b>Total U.S. DEPARTMENT OF DEFENSE</b>				-	<b>54</b>
<b>U.S. DEPARTMENT OF LABOR</b>					
<b>Passed through Kansas Department of Commerce</b>					
<b>Employment Service Cluster</b>					
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
<b>WIOA Cluster</b>					
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
<b>Total Federal Expenditures - AL 17.258</b>				<b>40,135</b>	<b>775,127</b>
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
<b>Total Federal Expenditures - AL 17.259</b>				<b>22,573</b>	<b>595,295</b>
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
<b>Total Federal Expenditures - AL 17.278</b>				<b>25,834</b>	<b>877,134</b>
<b>Total Federal Expenditures - WIOA Cluster (AL 17.258, 17.259, 17.278)</b>				<b>88,542</b>	<b>2,247,556</b>
<b>Direct Funding</b>					
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
<b>Total Federal Expenditures - AL 17.268</b>				<b>26,025</b>	<b>348,401</b>
<b>Passed through Midwest Urban Strategies</b>					
Pathway Home Grant Program	17.270	WA-PE-35039-20-60-A-55	07/01/20-12/31/23	1,121	67,114
<b>Direct Funding</b>					
National Emergency Grant - DWG	17.277	DW-34833-20-60-A-20	01/01/20-12/31/21	25,084	1,267,827
<b>Passed through Partners 4 Work</b>					
Midwest Urban Strategies - DWG	17.277	PY18P4W1430.0	01/01/18-09/30/21	12,756	408,227
<b>Total Federal Expenditures - AL 17.277</b>				<b>37,840</b>	<b>1,676,054</b>
<b>Passed through Kansas Department of Commerce</b>					
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
<b>Total Federal Expenditures - AL 17.283</b>				<b>1,132</b>	<b>75,535</b>

# 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
<b>U.S. DEPARTMENT OF LABOR, continued</b>					
<b>Passed through Kansas Department of Commerce</b>					
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
<b>Total Federal Expenditures - AL 17.285</b>				-	<b>118,658</b>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<b>163,201</b>	<b>5,443,386</b>
<b>U.S. DEPARTMENT OF TREASURY</b>					
<b>Passed through Kansas Department of Commerce</b>					
COVID - Cares Act Funding	21.019	FY21-CARES-004	03/01/20-12/31/20	-	59,151
<b>Passed through Sedwick County</b>					
COVID - Cares Act Funding	21.019	700105-20C3	03/01/20-10/30/20	-	908,329
<b>Total Federal Expenditures - AL 21.019</b>				-	<b>967,480</b>
<b>Passed through The City of Wichita Housing and Community Services Department</b>					
COVID - Wichita Emergency Rental Assistance	21.023	(not provided)	02/24/21-09/30/21	38	17,490
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>				<b>38</b>	<b>984,970</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<b>Passed through Kansas Department of Commerce</b>					
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
<b>Total Federal Expenditures - AL 93.093</b>				3,703	<b>226,900</b>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>3,703</b>	<b>226,900</b>
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 166,942</b>	<b>\$ 6,655,310</b>

#### 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

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## 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
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]	No
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Identification of major federal programs:

Name of Federal Major Program or Cluster	<u>AL No.</u>
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#### **U.S. Department of Labor**

WIOA Cluster	17.258, 17.259, 17.278
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#### **U.S. Department of Treasury**

Coronavirus Relief Funding	21.019
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Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$750,000

Auditee qualified as low-risk auditee?	Yes
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## Section II - Financial Statement Findings

None

## Section III - Federal Award Findings and Questioned Costs

None

## Section IV - Summary Schedule of Prior Year Findings

None