

# Workforce Alliance of South Central Kansas, Inc.

Wichita, Kansas

Financial Statements  
and Supplementary Information

Year Ended June 30, 2025



# Workforce Alliance of South Central Kansas, Inc.

Year Ended June 30, 2025

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinion

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, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Workforce Alliance of South Central Kansas, Inc. as of June 30, 2025, 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 of America (GAAP).

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Workforce Alliance of South Central Kansas, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Workforce Alliance of South Central Kansas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Workforce Alliance of South Central Kansas, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Workforce Alliance of South Central Kansas, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, 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

January 20, 2026

# Workforce Alliance of South Central Kansas, Inc.

## Statement of Financial Position

June 30, 2025

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<i>Assets</i>	
Current assets:	
Cash	\$ 506,487
Cash held for others	45,249
Grants receivable	668,113
Related-party receivable	111,585
Prepaid expenses	137,667
<hr/>	
Total current assets	1,469,101
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Right of use lease assets - Operating	794,142
Right of use lease assets - Finance	1,393
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<b>TOTAL ASSETS</b>	<b>\$ 2,264,636</b>

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<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of operating lease liabilities	\$ 384,840
Accounts payable	478,179
Accrued payroll and related expenses	130,285
Compensated absences and related expenses	226,997
Funds held for others	45,249
Refundable advances	189,533
<hr/>	
Total current liabilities	1,455,083
<hr/>	
Long-term liabilities:	
Operating lease liabilities, net of current	417,521
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Total liabilities	1,872,604
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Net assets:	
Without donor restrictions	392,032
<hr/>	
Total net assets	392,032
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,264,636</b>

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See accompanying notes to financial statements.

# Workforce Alliance of South Central Kansas, Inc.

## Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 7,671,480	\$ 0	\$ 7,671,480
Program income	60,134	0	60,134
<b>Total revenue</b>	<b>7,731,614</b>	<b>0</b>	<b>7,731,614</b>
Expenses:			
Program activities:			
Workforce Investment Program	2,753,950	0	2,753,950
Senior Community Services Employment Program	630,914	0	630,914
KEEP H-1B Grant	2,422,335	0	2,422,335
Regional Economic Area Partnership Program	80,047	0	80,047
Older Kansas Employment Program	77,670	0	77,670
RETAIN	576,915	0	576,915
Workforce Innovation Fund	185,939	0	185,939
American Rescue Plan Program	189,612	0	189,612
Other programs	497,146	0	497,146
<b>Total program activities</b>	<b>7,414,528</b>	<b>0</b>	<b>7,414,528</b>
<b>Management and general</b>	<b>367,204</b>	<b>0</b>	<b>367,204</b>
<b>Total expenses</b>	<b>7,781,732</b>	<b>0</b>	<b>7,781,732</b>
Change in net assets	( 50,118)	0	( 50,118)
Net assets - Beginning of the Year	442,150	0	442,150
<b>Net assets - End of the Year</b>	<b>\$ 392,032</b>	<b>\$ 0</b>	<b>\$ 392,032</b>

See accompanying notes to financial statements.

# Workforce Alliance of South Central Kansas, Inc.

## Statement of Functional Expenses

Year Ended June 30, 2025

	Program	Management & General	Total
Expenses:			
Wages	\$ 2,909,510	\$ 154,093	\$ 3,063,603
Payroll taxes	213,739	10,829	224,568
Benefits	456,843	33,181	490,024
Rent	357,013	4,382	361,395
Security	42,307	79	42,386
Utilities	26,637	481	27,118
Insurance	30,052	971	31,023
Office supplies	32,672	44	32,716
Office equipment / furniture	22,602	12	22,614
Postage	994	7	1,001
Dues and subscriptions	23,136	619	23,755
Conference	50,003	0	50,003
Job fairs	2,196	0	2,196
Meetings	25,021	3	25,024
Outreach	112,686	297	112,983
Staff development	6,315	17,904	24,219
Travel	28,120	0	28,120
Contract services	157,282	143,720	301,002
Miscellaneous	2,152	0	2,152
Amortization expense	16,706	0	16,706
Interest expense	101	0	101
Incentives	40,900	0	40,900
Education and training	2,256,203	0	2,256,203
Supportive services	240,463	0	240,463
Subrecipient pass-thru	286,372	0	286,372
IT Supplies	17,437	46	17,483
IT Licenses	14,684	204	14,888
IT Contracts	42,382	332	42,714
<b>Total expenses</b>	<b>\$ 7,414,528</b>	<b>\$ 367,204</b>	<b>\$ 7,781,732</b>

See accompanying notes to financial statements.

# Workforce Alliance of South Central Kansas, Inc.

## Statement of Cash Flows

Year Ended June 30, 2025

Increase (decrease) in cash and cash held for others:

Cash flows from operating activities:	
Change in net assets	(\$ 50,118)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Non-cash lease expense - Operating	537,689
Amortization of finance lease assets	16,706
Changes in operating assets and liabilities:	
Grants receivable	23,724
Related-party receivable	30,736
Prepaid expenses	( 10,478)
Accounts payable	109,024
Accrued payroll and related expenses	( 9,130)
Compensated absences and related expenses	7,348
Cash held for others	19,064
Refundable advances	51,490
Operating lease liabilities	( 541,216)
Net cash from operating activities	184,839
Cash flows from financing activities:	
Principal payments on finance lease obligation	( 7,190)
Net cash from financing activities	( 7,190)
Change in cash and cash held for others	177,649
Cash and cash held for others - Beginning of the Year	374,087
Cash and cash held for others - End of the Year	\$ 551,736
Reconciliation of cash and cash held for others:	
Cash	\$ 506,487
Cash held for others	45,249
Total cash and cash held for others	\$ 551,736
Supplemental schedule of other cash activity:	
Interest paid	\$ 101
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 569,276
Operating cash flows from finance leases	101
Supplemental disclosure of noncash operating activity:	
Right of use assets obtained in exchange for new operating lease liabilities	\$ 32,800

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 replaced 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 WIOA. A significant reduction in the level of this support could have an adverse effect on the Organization's programs and services. Approximately 87% 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 of America (GAAP).

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash 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, funds held for others, 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.

#### Grants Receivable

Grants receivable consist of general receivables from various funding sources. The Organization believes these receivables are fully collectible and, therefore, no allowance has been recorded.

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Related-Party Receivable**

Related-party receivable represents costs shared with partner agencies for office spaces and other services that were requested for reimbursement.

The Organization uses a current expected credit loss (CECL) model to estimate the allowance for credit losses on receivables. The allowance for credit losses reflected losses that the Organization estimated had been incurred as of the reporting date and was based on historical loss experience, current receivables aging, and management's assessment of current conditions.

The CECL model considers historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization use an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. Currently an allowance for credit losses on accounts receivable is not recorded as management believes accounts receivable are fully collectable and the CECL allowance on accounts receivable would be insignificant.

The allowance for credit losses is a valuation allowance for probable incurred credit losses based on an evaluation of the outstanding receivables. An allowance for credit losses was not considered necessary at June 30, 2025.

#### **Lease Accounting**

The Organization is a lessee in multiple noncancelable operating and financing leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight line basis over the lease term.

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Lease Accounting (Continued)

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight line basis over the lease term.

The Organization made an accounting policy election for all underlying classes of assets to not separate the lease components of a contract and its associated non-lease components.

#### Classification of Net Assets

Net assets and revenues, 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. There were no assets with donor restrictions as of June 30, 2025.

#### 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.

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

# 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)

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. If a restriction is satisfied in the year of contribution, the program contribution is recorded as without donor restrictions.

Program income represents revenue earned by the Organization through the provision of program related services under contractual agreements. Program income is recognized as revenue when the associated services are performed and the right to payment is established.

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.

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### 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.

#### Functional Expenses

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

#### Subsequent Events

The Organization have evaluated events and transactions for potential recognition or disclosure in the financial statements through January 20, 2026, which is the date the financial statements were available to be issued.

### Note 2: Concentration of Credit Risk

The Organization maintains cash and cash held for others balances at several financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. Management believes these financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

### Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, without one year of the statement of financial position, are comprised of the following at June 30, 2025:

Cash	\$	506,487
Grants receivable		668,113
Related-party receivable		111,585
<hr/>		
Subtotal financial assets		1,286,185
Less: Accounts payable		(478,179)
Less: Accrued payroll and related expenses		(130,285)
Less: Compensated absences and related expenses		(226,997)
Less: Refundable advances		(189,533)
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Total financial assets available for general expenditure	\$	261,191

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### Note 3: Liquidity and Availability of Financial Resources (Continued)

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. The Organization has grant commitments for future expenses of approximately \$4,840,000 as further described in Note 9.

### Note 4: Cash and Cash 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, 2025:

Bank account:	
WIOA cash	\$ 96,731
Non-Federal cash	409,756
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Total bank accounts	506,487
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Cash held for others:	
REAP	43,902
Flexible spending-employees	1,347
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Total cash held for others	45,249
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Total cash and cash held for others	\$ 551,736
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### Note 5: Grants Receivable

Grants receivable represents reimbursable expenditures incurred and accrued for WIOA program and other grant funds. As of June 30, 2025, the Organization reported the following outstanding grants receivable:

U.S. Department of Labor	\$ 197,487
Kansas Department of Commerce	189,360
Regional Economic Area Partnership	10,196
Other funding sources	271,070
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Total	\$ 668,113
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# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

### Note 6: Leases

The Organization leases various office space and copiers for operation of its programs. Some of the leases entered into include one or more options to renew. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Renewal option periods are included in the measurement of the ROU asset and the lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Components of lease expense were as follows for the year ended June 30, 2025:

Finance lease cost		
Interest	\$	101
Amortization of right-of-use asset		16,707
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Subtotal		16,808
Operating lease cost		566,628
Short term lease cost		12,100
Sublease income		(223,493)
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Total lease cost	\$	372,043
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The weighted-average of the remaining lease terms and weighted average discount rates are as follows for the year ended June 30, 2025:

Weighted-average remaining lease term - Operating leases	2.1 years
Weighted-average discount rate - Operating leases	2.93%

Maturities of lease liabilities are as follows as of June 30, 2025:

2026	\$	402,278
2027		408,405
2028		6,821
2029		6,821
2030		2,274
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Total lease payments		826,599
Less: Imputed Interest		(24,238)
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Subtotals		802,361
Less: Current portion		(384,840)
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Long-term portion	\$	417,521
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# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### **Note 6: Leases** (Continued)

Total minimum future rental payments have not been reduced by sublease rentals to be received in the future under non-cancelable subleases.

The Organization also subleases space in the various buildings. The subleases entered into include one or more options to renew. The sublease for the El Dorado building includes an option to extend the subleases for one year. The exercise of the renewal options are at the sub-lessee's sole discretion. The Organization and sub-lessee is not reasonably certain to exercise renewal and extension options and have not included the renewal and extension period in the measurement of the sublease receipts.

Sublease receipts for the years ended June 30, 2025 were \$223,493. The financial statement expenses for rent are reported net of these receipts. Anticipated future minimum lease receipts on the Organization's subleases as of June 30, 2025 are \$63,089.

### **Note 7: 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 \$71,825 to this Plan for the year ended June 30, 2025.

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

### Note 8: Related Parties

During the year ended June 30, 2025, 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, 2025. 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, 2025, the following amounts are reported in the Organization's financial statements:

	Expenses	Revenue
Cerebral Palsy Research Foundation	\$ 219,262	\$ -
Evergy	-	183,274
Wichita Area Technical College	148,042	-
City of Wichita	-	140,986
Goodwill Industries	89,949	-
Kansas Department of Commerce	-	68,279
Spirit AeroSystems	55,185	-
Wichita Electrical Joint Appr. Training Center	48,902	-
Butler Community College	4,831	14,200
Textron Aviation	-	7,500
HR Consultant	524	-
Wichita Chamber of Commerce	27,400	-
Kansas Department of Children and Families	-	20,742
Wichita Regional chamber of Commerce	27,400	-
Sheet Metal Joint Apprentice	-	4,000
John Clark	-	2,500
Alana McNary	112	-
Cowley Community College	-	5,220
IBEW	-	2,866
Creekstone Farms	1,685	-
Flagship Kansas Tech	10,250	-
<b>Total</b>	<b>\$ 633,542</b>	<b>\$ 449,567</b>

At June 30, 2025, the following amounts are reported in the Organization's statement of financial position as accounts payable:

Cerebral Palsy Research Foundation	\$ 28,304
Wichita State University Tech	21,782
Wichita Regional Chamber of Commerce	300
Goodwill Industries	26,052
<b>Total</b>	<b>\$ 76,438</b>

# Workforce Alliance of South Central Kansas, Inc.

## Notes to Financial Statements

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### Note 8: Related Parties (Continued)

At June 30, 2025, the following amounts are reported in the Organization's statement of financial position as accounts receivable:

Kansas Department of Commerce	\$	83,360
City of Wichita		19,225
Spirit Aerosystems		7,500
Plumbers & Pipefitters #441		1,500
<hr/>		
Total	\$	111,585

At June 30, 2025, \$21,229 are reported in the Organization's statement of financial position as refundable advances from Evergy.

### Note 9: Grant Award Commitments

At June 30, 2025, the Organization had received future funding commitments under various grants. The remaining unspent amount of these commitments is approximately \$4,840,000. These commitments are not recognized in the accompanying financial statements as revenue and receivables as they are conditional awards.

## **Supplementary Information**

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# Workforce Alliance of South Central Kansas, Inc.

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

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</b>					
<b>Passed through Kansas Department of Commerce</b>					
<b>Employment Service Cluster</b>					
Employment Service - RETAIN	17.207	FY22-RETAIN2-004	05/17/21-05/16/25	\$ 0	\$ 156,974
Employment Service - RETAIN	17.207	FY25-RETAIN2-004	05/17/25-05/16/26	0	419,941
<b>Total Federal Expenditures - Employment Service Cluster AL 17.207</b>				<b>0</b>	<b>576,915</b>
Senior Community Service Employment	17.235	PY24-SCSEP-004	07/01/24-06/30/25	0	669,984
<b>WIOA Cluster</b>					
WIOA Adult Program	17.258	FY24-A-004	10/01/23-06/30/25	0	669,920
WIOA Adult Program	17.258	PY24-A-004	07/01/24-06/30/26	5,155	186,243
WIOA Adult Program	17.258	FY25-A-004	10/01/24-06/30/26	51,349	761,037
<b>Total Federal Expenditures - AL 17.258</b>				<b>56,504</b>	<b>1,617,200</b>
WIOA Youth Program	17.259	PY23-Y-004	04/01/23-06/30/25	0	50,376
WIOA Youth Program	17.259	PY24-Y-004	04/01/24-06/30/26	15,750	794,793
<b>Total Federal Expenditures - AL 17.259</b>				<b>15,750</b>	<b>845,169</b>
WIOA Dislocated Worker Program	17.278	FY24-DW-004	10/01/23-06/30/25	5,678	53,542
WIOA Dislocated Worker Program	17.278	PY24-DW-004	07/01/24-06/30/26	6,094	137,252
WIOA Dislocated Worker Program	17.278	FY25-DW-004	10/01/24-06/30/26	0	147,333
WIOA Dislocated Worker Program	17.278	FY24-RR-004	10/01/23-09/30/24	0	5,510
WIOA Dislocated Worker Program	17.278	FY25-RR-004	10/01/24-09/30/25	0	13,493
<b>Total Federal Expenditures - AL 17.278</b>				<b>11,772</b>	<b>357,130</b>
<b>Total Federal Expenditures - WIOA Cluster (AL 17.258, 17.259, 17.278)</b>				<b>84,026</b>	<b>2,819,499</b>
<b>Direct Funding</b>					
H-1B Job Training (KAMP)	17.268	HG-35909-21-60-A-20	02/01/21-12/31/25	162,346	2,422,335
<b>Passed through Midwest Urban Strategies</b>					
Pathway Home Grant Program	17.270	WA-PE-35039-20-60-A-55	07/01/20-12/31/24	0	2,684
<b>Passed through Kansas Department of Commerce</b>					
Work Based Learning	17.283	FY24-WBL SSA-004	02/01/24-01/30/25	0	27,339
Work Based Learning	17.283	FY25-WBL-004	07/01/24-06/30/25	0	158,600
<b>Total Federal Expenditures - AL 17.283</b>				<b>0</b>	<b>185,939</b>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<b>246,372</b>	<b>6,677,356</b>
<b>U.S. DEPARTMENT OF TREASURY</b>					
<b>Passed through The City of Wichita Housing and Community Services Department</b>					
COVID-19 American Rescue Plan Program	21.027	(not provided)	07/05/22-01/31/27	0	52,638
<b>Passed through Kansas Department of Commerce</b>					
COVID-19 Digital Opportunities to Connect Kansas	21.027	FY24-DOCK-WASC	01/17/24-07/31/26	0	136,975
<b>Total Federal Expenditures - AL 21.027</b>				<b>0</b>	<b>189,613</b>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>				<b>0</b>	<b>189,613</b>
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 246,372</b>	<b>\$ 6,866,969</b>

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards.

# Workforce Alliance of South Central Kansas, Inc.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

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## 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, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. Negative amounts shown on the Schedule represent adjustment or credits made in the normal course of business to amounts reported as expenditures in prior years.

### Note 3 - Indirect Cost Rate

Workforce Alliance of South Central Kansas, Inc. did not elect to use up to 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See Independent Auditor's Report

## **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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Workforce Alliance of South Central Kansas, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2026.

### **Report on 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 reasonable possibility that a material misstatement of Workforce Alliance of South Central Kansas, Inc.'s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

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

The logo for Wipfli LLP is written in a black, cursive script font. The letters are fluid and connected, with a professional yet approachable feel.

Wipfli LLP

Madison, Wisconsin

January 20, 2026

## **Independent Auditor's Report on Compliance for the 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 the Major Federal Program**

#### **Opinion on the Major Federal Program**

We have audited Workforce Alliance of South Central Kansas, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Workforce Alliance of South Central Kansas, Inc.'s major federal program for the year ended June 30, 2025. Workforce Alliance of South Central Kansas, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Workforce Alliance of South Central Kansas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

#### **Basis for Opinion on the Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Workforce Alliance of South Central Kansas, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Workforce Alliance of South Central Kansas, Inc.'s compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Workforce Alliance of South Central Kansas, Inc.'s federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Workforce Alliance of South Central Kansas, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Workforce Alliance of South Central Kansas, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Workforce Alliance of South Central Kansas, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Workforce Alliance of South Central Kansas, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Workforce Alliance of South Central Kansas, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Wipfli LLP*

Wipfli LLP

Madison, Wisconsin

January 20, 2026

# Workforce Alliance of South Central Kansas, Inc.

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_ yes  x  no  
Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? \_\_\_ yes  x  no

#### Federal Awards

Internal control over major program:  
Material weakness(es) identified? \_\_\_ yes  x  no  
Significant deficiency(ies) 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)]? \_\_\_ yes  x  no

Identification of major federal program:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.278	WIOA Cluster

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