



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**SOUTH WESTERN WV REGION 2  
WORKFORCE INVESTMENT BOARD, INC.**

**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

South Western West Virginia Region 2  
Workforce Investment Board, Inc.  
2699 Park Avenue, Suite 210  
Huntington, WV 25704

To the Board of Directors:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the South Western West Virginia Region 2 Workforce Investment Board, Inc. (the Board), (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Board, as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***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 the Board, 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.

#### ***Emphasis of Matter***

As discussed in Note 5 to the financial statements, during 2023, the Board adopted new accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for one year after the date that the financial statements are 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 combined 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 the Board'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 the Board'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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are not a required part of the basic 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 March 18, 2024, 2024, on our consideration of the Board's internal control over financial reporting and 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 the Board'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 the Board's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

March 18, 2024

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2023**

<b>ASSETS</b>	<b>2023</b>
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 364,836
Grants Receivable	269,866
Other Current Receivable	2,291
Prepaid assets and deposits	2,364
<b>Total Current Assets</b>	<u>639,357</u>
<b>Right-of-Use Assets:</b>	
Leases	152,881
<b>Total Right-of-Use Assets</b>	<u>152,881</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 792,238</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ 203,694
Credit Card Payable	4,940
Accrued Wages and Benefits	46,129
Accrued Expenses	30,370
Short-Term Lease Liability	123,363
Deferred Revenue	12,035
<b>Total Current Liabilities</b>	<u>420,531</u>
<b>LONG TERM LIABILITIES:</b>	
Long-Term Lease Liability	8,979
<b>Total Long Term Liabilities</b>	<u>8,979</u>
<b>TOTAL LIABILITIES</b>	<u>429,510</u>
<b>NET ASSETS</b>	
Without Donor Restrictions	362,728
<b>TOTAL NET ASSETS</b>	<u>362,728</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 792,238</u></u>

The notes to the financial statements are an integral part of this statement.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING SUPPORT AND REVENUES</b>			
Grant Revenues	\$ -	\$ 4,436,565	\$ 4,436,565
Ticket To Work/Other Unrestricted	27,797	-	27,797
Net Assets Released from Restrictions	4,436,565	(4,436,565)	-
Total Unrestricted Support and Revenue	<u>4,464,362</u>	<u>-</u>	<u>4,464,362</u>
<b>EXPENSES</b>			
Participant Services & Support	4,029,986	-	4,029,986
Supporting services:			
Management & General	413,367	-	413,367
Total Expenses	<u>4,443,353</u>	<u>-</u>	<u>4,443,353</u>
<b>CHANGE IN NET ASSETS</b>	21,009	-	21,009
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>341,719</u>	<u>-</u>	<u>341,719</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 362,728</u>	<u>\$ -</u>	<u>\$ 362,728</u>

The notes to the financial statements are an integral part of this statement.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>OPERATING EXPENSES</b>	<b>Participant Services &amp; Support</b>	<b>Management &amp; General</b>	<b>Total</b>
Participant Training & Support	\$ 2,233,488	\$ -	\$ 2,233,488
Salaries and Benefits	947,294	117,629	1,064,923
Contractual Fees	276,435	59,841	336,276
Occupancy	300,530	30,969	331,499
Professional Services	13,965	128,750	142,715
Travel & Conference	58,795	233	59,028
Office and Meeting Expense	97,853	41,562	139,415
Telephone	53,138	6,801	59,939
Insurance	-	27,515	27,515
MACC Fees	44,128	-	44,128
Outreach	4,360	67	4,427
Total expenses	<u>\$ 4,029,986</u>	<u>\$ 413,367</u>	<u>\$ 4,443,353</u>

The notes to the financial statements are an integral part of this statement.



**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>
<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ 21,009
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by (Used in) Operating Activities:	
Changes in:	
(Increase) Decrease in grants receivable	31,799
(Increase) Decrease in other receivables	8,671
(Increase) Decrease in prepaid assets and deposits	4,717
Increase (Decrease) in accounts payable	(91,252)
Increase (Decrease) in credit card payable	4,940
Increase (Decrease) in accrued wages and benefits	13,844
Increase (Decrease) in accrued expenses	(7,046)
Increase (Decrease) in deferred revenue	2,777
Net Cash Provided by (Used in) Operating Activities	(10,541)
<b>Cash Flows from Investing Activities:</b>	
(Increase) Decrease right-of-use lease asset	(152,881)
Increase (Decrease) in liability related to right-of-use lease asset	132,342
Net Cash Provided by (Used in) Investing Activities	(20,539)
Net Increase (Decrease in) Cash and Cash Equivalents	(31,080)
Cash and Cash Equivalents, Beginning of Year	395,916
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 364,836</b>

The notes to the financial statements are an integral part of this statement.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 NATURE OF OPERATIONS**

The South Western West Virginia Region 2 Workforce Investment Board, Inc. (the "Board") is a 501(c) (3) non-profit organization located in Huntington, West Virginia. The organization was established in September 2000, as a non-profit, non-stock corporation under the laws of the State of West Virginia. The primary purpose of the organization is to provide policy guidance for and exercise oversight with respect to activities under the Workforce West Virginia System for its service delivery area in partnership with the provisions of the Workforce Innovation and Opportunity Act of 2014; to work to increase the involvement of the business and labor community in the employment and training system, and to increase private and public sector employment opportunities for eligible participants. For the year ended June 30, 2023, the organization's revenues derived from grants from Workforce West Virginia were approximately 80 percent of grant revenue.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Board prepares and maintains its financial statements and accounts on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles (US GAAP), which require reporting information of financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purposes in performing the primary objectives of the organization. These net assets may be used at the discretion of the Board's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board, or by the passage of time.

**Cash Equivalents**

For purposes of the Statement of Cash Flows the Board considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2023.

**Property and Equipment**

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The useful lives for the purposes of computing depreciation are:

Equipment and furniture      3 to 5 years

If the Board ceases to operate under the present grant agreements, the funding source holds a reversionary interest in all property and equipment.

**Grants Receivable and Revenue**

Amounts received from funding agencies under cost-reimbursable grants are recognized as support only to the extent that related expenses have been incurred. Grants receivable at June 30, 2023 were \$269,866.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Revenue**

Deferred revenue consists of grant funds received by the Board but not yet expended for qualifying expenses. Deferred revenue at June 30, 2023 was \$12,035.

**Income Tax Status**

Under provisions of the Internal Revenue Code, Section 501(c) (3), and the applicable income tax regulations of the State of West Virginia, the Board is exempt from taxes on income other than unrelated business income. Since the Board had no net unrelated business income during the year ended June 30, 2023 no provision for income taxes has been made.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain tax position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken by the Board that would require recognition of a liability (or asset) or disclosure in the financial statements. The Board is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Board's Federal Return of Organization Exempt from Income Tax (Form 990) for 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional activities. Accordingly, certain costs have been allocated among the programs and activities benefited. Such allocations are determined by management on an equitable basis and according to federal regulations where applicable.

**Use of Estimates**

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

**NOTE 3 AVAILABILITY AND LIQUIDITY**

The following represents the Board's financial assets as June 30, 2023:

Financial assets at year end:	
Cash and cash equivalents	\$ 364,836
Grants and other receivables	272,157
Total financial assets	<u>636,993</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	-
Board-designated funds for future use	-
	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 636,993</u>

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 3 AVAILABILITY AND LIQUIDITY (Continued)**

As described in Note 7 the Board receives a majority of support from the U.S. Department of Labor and a significant reduction of support from any grant source could have an adverse effect on operations. The Board's goal is generally to maintain financial assets to meet at least 30 days of expenses. As part of its liquidity plan, any funding cuts require an immediate reduction of expenses directly associated with the change. Additionally, all contracts and agreements entered into by the Board are subject to a thirty-day cancellation clause.

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

Equipment being depreciated:	Beginning	Additions	Retirements	Ended
Equipment	\$ 323,496	\$ -	\$ -	\$ 323,496
Total property being depreciated	323,496	-	-	323,496
Less accumulated depreciation for:				
Equipment	(323,496)		-	(323,496)
Total accumulated depreciation	(323,496)		-	(323,496)
Total equipment being depreciated, net	\$ -	\$ -	\$ -	\$ -

**NOTE 5 IMPLEMENTATION OF AMENDMENTS TO ASC TOPIC 842, LEASES**

As of July 1, 2022, the Board has adopted the amendments to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases, which were required to be adopted for years beginning after December 15, 2021. These amendments provide clarification and guidance on various aspects of lease accounting, and their adoption has resulted in changes to the Board's accounting policies and practices related to leases. The following provides information related to the amendment's adoption method and the impact the amendment had on the financial statements and accounting policies:

1. **Adoption Method and Transition Approach:** The Board has adopted the amendments to ASC 842 using the modified retrospective approach, as allowed by the transition guidance provided by the amendments. Under this approach, the Board has applied the amendments retrospectively to the beginning of the earliest period presented in the financial statements, without restating prior periods. The Board has elected to use the practical expedients provided by the amendments, including the practical expedient to not reassess whether existing contracts are or contain leases, the practical expedient to not reassess lease classification for existing leases, and the practical expedient to not reassess initial direct costs for existing leases.
2. **Impact on Financial Statements:** The adoption of the amendments to ASC 842 has resulted in changes to the Board's statements of financial position and the statements of activities. The most significant impacts are as follows:
  - **Recognition of Right-of-Use (ROU) Assets and Lease Liabilities:** The Board has recognized ROU assets and lease liabilities for leases that were previously classified as operating leases. The ROU assets and lease liabilities are recognized at the present value of the remaining lease payments, using the Board's incremental borrowing rate at the adoption date. The adoption of the amendments has resulted in an increase in the Board's assets and liabilities on the balance sheet, as compared to the previous accounting under ASC 840.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 5 IMPLEMENTATION OF AMENDMENTS TO ASC TOPIC 842, LEASES (Continued)**

• Presentation of Lease Expenses: The Board has changed the presentation of lease expenses in the statements of activities. Lease expenses for operating leases are now recognized as separate line items, such as "Operating lease expense" or "Finance lease expense," depending on the lease classification. The adoption of the amendments has resulted in changes to the Board's statements of activities presentation, as compared to the previous accounting under ASC 840. See Note 6 for more information about the Board's lease accounting practices and activity as of June 30, 2023.

**NOTE 6 LEASES**

The Board held assets under a right-of-use lease arrangement as of June 30, 2023. The Board leases office space through September 2024. A lease liability including principal and interest, right-of-use asset, and all expenses applicable to payments have been recorded for each leased asset, as displayed in the following tables.

<b>Lease Expense</b>	Year Ending 2023
Operating lease expense	\$ 146,767

Lease Assets—Classification in Statement of Financial Position	
Operating lease right-of-use	\$ 152,881

Lease Liabilities—Classification in Statement of Financial Position	
Operating lease liabilities	\$ 132,342

Total lease costs for the year ended June 30, 2023 are as follows:

Weighted-average discount rate:	
Operating leases	2.85%

Weighted-average remaining lease term:	
Operating leases	1.08%

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<b>Maturity Analysis</b>	
2024	Operating \$ 125,228
2025	9,000
Total undiscounted cash flows	134,228
Less: present value discount	(1,886)
Total lease liabilities	\$ 132,342

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 6 NET ASSETS**

Net assets without donor restrictions for the year ended June 30, 2023 are as follows:

Undesignated	\$362,728
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Net assets released donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Participant Services & Support	\$4,436,565

**NOTE 7 RISK CONCENTRATIONS**

The Board maintains cash balances in two checking accounts at a local financial institution. The accounts at this institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At various times throughout the year, the Board had balances in the accounts exceeding the FDIC insured limits.

The Board receives the majority of its funding from the U.S. Department of Labor. A significant reduction in this level of support could have an adverse effect on the Board.

**NOTE 8 RELATED PARTY TRANSACTIONS**

The Board was established to operate the Workforce Investment Program within this region of the State of West Virginia. Its Board of Directors is made up of numerous individuals within this region who are employed by companies, service providers, and institutions. The Board has entered into various contracts with these service providers and institutions to help operate its programs. The Board has adopted a conflict-of-interest policy, which all board members and employees are requested to sign. The policy states, "No member, employee, or agent shall cast a vote on any matter which would provide direct financial benefit to that member." Additionally, where there is a conflict, that person shall disclose all material facts of the conflict and abstain from voting on the action.

**NOTE 9 CONTINGENT LIABILITIES**

The Board's programs are generally funded from federal and state sources, the principal of which are programs of the U.S. Department of Labor. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures that may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

**NOTE 10 SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 18, 2024 which is the date the financial statements were available to be issued and determined that there are no subsequent events that require disclosure.

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through West Virginia Department of Health and Human Resources</i>			
Supplemental Nutrition Assistance Program	10.561	G220088	\$ 25,155
Supplemental Nutrition Assistance Program	10.561	G230167	72,549
<b>Total SNAP Program</b>			<u>97,704</u>
<b>Total U.S. Department of Agriculture</b>			<u>97,704</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
<i>Passed through West Virginia Department of Health and Human Resources</i>			
TANF Subsidized Employment	93.558	G230088	868,868
<b>Total U.S. Department of Health &amp; Human Resources</b>			<u>868,868</u>
<b>U.S DEPARTMENT OF LABOR</b>			
<i>Passed through Workforce West Virginia: WIOA Cluster</i>			
Adult	17.258	22*0129	217,126
Adult	17.258	23*0136	547,533
<b>Total Adult</b>			<u>764,659</u>
Youth	17.259	22*0129	713,365
Youth	17.259	23*0136	64,849
<b>Total Youth</b>			<u>778,214</u>
Dislocated Workers	17.278	22*0129	1,130,232
Dislocated Workers	17.278	23*0136	182,972
<b>Total Dislocated Workers</b>			<u>1,313,204</u>
NDWG - Severe Winter Storms	17.277	21*NDWG	613,916
<b>Total WIOA Cluster</b>			<u>3,469,993</u>
<b>Total U.S.Department of Labor</b>			<u>3,469,993</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,436,565</u>

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.**

**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the South Western West Virginia Region 2 Workforce Investment Board, Inc. under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared 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 the Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Board.

**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 as the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The Board has elected 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  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

South Western West Virginia Region 2  
Workforce Investment Board, Inc.  
2699 Park Avenue, Suite 210  
Huntington, WV 25704

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the South Western West Virginia Region 2 Workforce Investment Board, Inc. (a nonprofit organization), (the Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements and have issued our report thereon dated March 18, 2024, wherein we noted the Organization adopted new accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Board'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 the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Board'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 Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

March 18, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

South Western West Virginia Region 2  
Workforce Investment Board, Inc.  
2699 Park Avenue, Suite 210  
Huntington, WV 25704

To the Board of Directors:

**Report on Compliance for the Major Federal Program**

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

We have audited South Western West Virginia Region 2 Workforce Investment Board, Inc.'s, (a nonprofit organization), (the Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of South Western West Virginia Region 2 Workforce Investment Board Inc.'s major federal program for the year ended June 30, 2023. South Western West Virginia Region 2 Workforce Investment Board, Inc.'s major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, South Western West Virginia Region 2 Workforce Investment Board, Inc.'s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

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

We are required to be independent of the Board 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 the Board's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

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

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

**Report on Internal Control Over Compliance (Continued)**

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

March 18, 2024

**SOUTH WESTERN WV REGION 2 WORKFORCE INVESTMENT BOARD, INC.**  
**SCHEDULE OF AUDIT FINDINGS**  
**2 CFR § 200.515**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Program's Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	WIOA Cluster; AL # 17.258 WIOA Adult Program AL # 17.259 WIOA Youth Activities AL# 17.277 WIOA NDWG-Severe Winter Storms AL # 17.278 WIOA Dislocated Workers Formula Grants.
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS FOR FEDERAL AWARDS**

None