

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI**

Cape Girardeau, Missouri

=====

June 30, 2021

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**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Workforce Development Board of Southeast Missouri Cape Girardeau, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Workforce Development Board of Southeast Missouri (the "Organization"), which comprise the statement of financial position – regulatory basis as of June 30, 2021, and the related statement of activities – regulatory basis, functional expenses – regulatory basis and cash flows – regulatory basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices prescribed or permitted by the Missouri Department of Economic Development (Division of Workforce Development). Management is also responsible 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.

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
Workforce Development Board
of Southeast Missouri

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of Workforce Development Board of Southeast Missouri as of June 30, 2021, and the respective changes in the regulatory basis net assets and cash flows for the year then ended in accordance with the financial reporting practices prescribed or permitted by the Missouri Department of Economic Development (Division of Workforce Development) as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1, these financial statements were prepared in conformity with the financial reporting practices prescribed or permitted by the Missouri Department of Economic Development (Division of Workforce Development), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Missouri Department of Economic Development (Division of Workforce Development). Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Financial Position by Fund – Regulatory Basis and Statement of Activities by Fund – Regulatory Basis (together the “supplementary information”) are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 also presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are 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 August 19, 2022, on our consideration of Workforce Development Board of Southeast Missouri’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 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 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 Development Board of Southeast Missouri’s internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT
Workforce Development Board
of Southeast Missouri

Restriction of Use

This report is intended solely for the information and use of the Board of Directors and management of Workforce Development Board of Southeast Missouri, the Missouri Department of Economic Development (Division of Workforce Development), and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Stanley, Dirnberger, Hopper and Associates, LLC

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants

Cape Girardeau, Missouri
August 19, 2022

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FINANCIAL POSITION - REGULATORY BASIS

JUNE 30, 2021

ASSETS:

| | |
|---------------------|-----------------------|
| Cash | \$ 105,462 |
| Accounts Receivable | 63,032 |
| Deposits | <u>5,250</u> |
| TOTAL | <u>\$ 173,744</u> |

LIABILITIES AND NET ASSETS:

| | |
|----------------------------|-----------------------|
| Liabilities: | |
| Accounts Payable | \$ 90,749 |
| Accrued Expenses | 14,783 |
| Compensated Absences | 32,626 |
| Unearned Revenue | <u>9,587</u> |
| Total Liabilities | <u>\$ 147,745</u> |
| Net Assets: | |
| Without Donor Restrictions | \$ 25,999 |
| With Donor Restrictions | <u>-</u> |
| Total Net Assets | <u>\$ 25,999</u> |
| TOTAL | <u>\$ 173,744</u> |

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF ACTIVITIES - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|---|--|--------------|
| REVENUES: | | | |
| Federal Grants and Contracts | \$ 255,508 | \$ 2,509,240 | \$ 2,764,748 |
| Job Fair Fees | 1,683 | - | 1,683 |
| Interest and Other Revenue | 2,872 | - | 2,872 |
| | \$ 260,063 | \$ 2,509,240 | \$ 2,769,303 |
| | | | |
| Net Assets Released from Restrictions | | | |
| Satisfied by Payments | \$ 2,509,240 | \$ (2,509,240) | \$ - |
| Total Revenues | \$ 2,769,303 | \$ - | \$ 2,769,303 |
| | | | |
| EXPENSES: | | | |
| Administrative Services | \$ 258,885 | \$ - | \$ 258,885 |
| Program Services | 2,510,923 | - | 2,510,923 |
| | \$ 2,769,808 | \$ - | \$ 2,769,808 |
| | | | |
| CHANGE IN NET ASSETS | \$ (505) | \$ - | \$ (505) |
| NET ASSETS, BEGINNING OF YEAR | 26,504 | - | 26,504 |
| NET ASSETS, END OF YEAR | \$ 25,999 | \$ - | \$ 25,999 |

The accompanying notes are an intergral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FUNCTIONAL EXPENSES - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

Program Services

| | Adult | Dislocated Worker | Youth | Temporary Assistance for Needy Families | Other | Management and General | Total |
|---------------------------------|-------------------|------------------------------|-------------------|--|------------------|---------------------------------------|---------------------|
| Expenses: | | | | | | | |
| Contracted Labor | \$ 615 | \$ 930 | \$ 515 | \$ 315 | \$ 25 | \$ - | \$ 2,400 |
| Employee Benefits | 49,573 | 74,915 | 41,472 | 25,398 | 2,051 | 13,181 | 206,590 |
| Insurance Expenses | 5,886 | 8,894 | 4,924 | 3,015 | 243 | 37,378 | 60,340 |
| Miscellaneous Expenses | 392 | 592 | 328 | 201 | 16 | 690 | 2,219 |
| Office and Administrative | 115 | 174 | 97 | 59 | 5 | 14 | 464 |
| Participant Tuition and Support | 163,682 | 247,361 | 136,934 | 83,860 | 6,770 | - | 638,607 |
| Professional Fees | - | - | - | - | - | 9,000 | 9,000 |
| Rent Expense | 18,894 | 28,553 | 15,806 | 9,680 | 782 | 13,028 | 86,743 |
| Repairs and Maintenance | 2,618 | 3,956 | 2,190 | 1,341 | 108 | 11,252 | 21,465 |
| Subcontractor Expenses | 6,437 | 9,729 | 5,385 | 3,298 | 266 | - | 25,115 |
| Supplies and Equipment | 9,563 | 14,452 | 8,001 | 4,900 | 396 | 1,527 | 38,839 |
| Dues and Memberships | 128 | 194 | 107 | 65 | 5 | 860 | 1,359 |
| Telephone and Internet | 11,935 | 18,037 | 9,985 | 6,115 | 494 | 2,734 | 49,300 |
| Training Related Expenses | 774 | 1,170 | 648 | 397 | 32 | 21 | 3,042 |
| Travel and Meetings | 9,627 | 14,548 | 8,053 | 4,932 | 398 | 4,277 | 41,835 |
| Utilities | 5,918 | 8,943 | 4,950 | 3,032 | 245 | 902 | 23,990 |
| Wages and Payroll Taxes | 357,420 | 540,144 | 299,012 | 183,119 | 14,784 | 164,021 | 1,558,500 |
| Total Expenses | \$ 643,577 | \$ 972,592 | \$ 538,407 | \$ 329,727 | \$ 26,620 | \$ 258,885 | \$ 2,769,808 |

The accompanying notes are an intergral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF CASH FLOWS - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

OPERATING ACTIVITIES:

| | |
|--|-------------------|
| Change in Net Assets | \$ (505) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | |
| Accounts Receivable, decrease | 202,907 |
| Deposits, decrease | 6,480 |
| Accounts Payable and Accrued Expenses, (decrease) | (79,421) |
| Compensated Absences, (decrease) | (13,608) |
| Unearned Revenue, (decrease) | <u>(81,280)</u> |
| Net Cash Provided by Operating Activities | \$ 34,573 |
| Cash - Beginning of Year | <u>70,889</u> |
| Cash - End of Year | <u>\$ 105,462</u> |

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Workforce Development Board of Southeast Missouri (the “Organization”) was incorporated in 2000 under Revised Missouri Statutes Chapter 355, which is the General Not for Profit Corporation Law. The purpose of the Organization is to provide services to develop, establish, and maintain a skilled, diverse, motivated, and adaptable workforce.

The Organization has a jurisdiction of 13 Southeast Missouri counties for administering Workforce Innovation and Opportunity Act programs. The Organization has on its Board of Directors 26 individuals from those 13 counties, all of which are appointed by the Chief Elected Official and certified by the Governor. These members are appointed from the business sector. The counties comprising the Organization’s jurisdiction include Bollinger, Cape Girardeau, Dunklin, Iron, Madison, Mississippi, New Madrid, Pemiscot, Perry, St. Francois, Ste. Genevieve, Scott, and Stoddard. The Board of Directors is also comprised of 6 Workforce Partner members and 6 Worker Representatives.

Basis of Accounting and Presentation – The financial statements are prepared under the accrual basis of accounting in accordance with the accounting practices prescribed by its funding sources, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices of the Organization are designed to account for activity in compliance with the terms of the grant agreements, budgets approved by funding sources, and funding sources’ prescribed cost principles. Programs that are ending are extended 90 days for the Organization to report and reconcile all expenses.

The cost of equipment purchased by subcontractors with grant funds or directly by the Organization with grant funds is charged to expense in the period of purchase rather than being depreciated over their useful life. The equipment acquired is owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the equipment purchased with grant funds. The disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations.

The Organization also records certain prepaid expenses and any subsequent adjustments to those expenses (such as workers comp insurance and related audits) in the year paid even though they may extend beyond the current year ending June 30. These payments are recorded in this manner to coincide with the grant reporting which provides funding upon payment and incurrence of a contractual obligation by the Organization.

Budgets – Contract length budgets are adopted for each individual contract. Budget categories are established to provide compliance with cost guidelines of the WIOA.

Cash – Cash includes all monies in banks and highly liquid investments with a maturity of less than three months. The Organization maintains one checking account, a money market account, and various other business checking accounts associated with specific programs.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues, Accounts Receivable and Deferred Revenue – Under the regulatory basis of accounting, revenues are recognized when earned. For job development contracts, revenues are considered earned when the related expenditure is incurred. Receivables have been recorded for revenue earned but not yet received. Revenue received in advance is deferred as unearned revenue until a corresponding expense is incurred.

Expenses – Certain administrative expenses of the Organization are allocated to programs based on the number of active participants of a program in relation to the total number of active participants served. For purposes of classification, all expenses incurred by subcontractors and reimbursed by the Organization, regardless of functionality, are considered program services.

Net Assets – The Organization is required to report information regarding its financial position and activities according to two classes of net assets depending upon the existence or nature of any imposed restrictions: without donor restriction and with donor restrictions. The classification of net assets with donor restrictions includes grant awards when the funds are restricted to specific programs as defined in the awards.

Income Taxes – Workforce Development Board of Southeast Missouri was incorporated under the laws of the State of Missouri as a not-for-profit organization. It has applied to the Internal Revenue Service and has received initial approval that it is exempt from taxes under Internal Revenue Code Section 501(c)(3). The Organization is required to file federal Form 990, "Return of Organization Exempt from Income Tax". The tax returns of the Organization are subject to examination by the respective taxing authorities, generally for three years after they are filed. The returns for the years ended after and including June 30, 2019 are still considered open years subject to possible examination.

Use of Estimates – The preparation of financial statements prepared in conformity with the accounting practices prescribed by its funding sources, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, 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 the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The Organization's operations have been and may continue to be affected by the outbreak of the coronavirus, which was declared a pandemic by the World Health Organization in March 2020. At this point, we cannot reasonably estimate the duration or severity of the pandemic, which could have a material adverse impact on the Organization's financial position and cash flow.

Subsequent Events – The Organization has evaluated the existence of subsequent events through August 19, 2022, which represents the date the financial statements were available to be issued.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet expenses over a 12-month period, the Organization factors in all expenses directly related to its ongoing mission as well as the services undertaken to support the mission. The Organization anticipates collecting sufficient revenue to cover expenses. Refer to the statement of cash flows – regulatory basis which identifies the sources and uses of the cash. As of June 30, 2021, the following financial assets could readily be available within one year of the statement of financial position date for operational needs:

| | |
|------------------------------|-------------------|
| Cash and Cash Equivalents | \$ 105,462 |
| Accounts Receivable | <u>63,032</u> |
| Financial Assets at Year End | <u>\$ 168,494</u> |

3. CASH

The Organization maintains their cash balance in one financial institution. Grant agreements require that all deposits with financial institutions be collateralized in an amount at least equal to the uninsured deposits. At June 30, 2021, the Organization's deposits were fully insured by FDIC insurance and pledged securities.

4. FIXED ASSETS

The cost of equipment purchased by subcontractors with grant funds or directly by the Organization with grant funds is charged to expense in the period of purchase rather than being depreciated over their useful life. This is because the grants have reversionary clauses whereby any property and equipment purchased by the Organization or subcontractor with grant funds revert back to the grantor upon completion of such grant. Therefore, fixed assets do not appear on the statements of financial position.

The Organization does track all fixed assets purchased. The Organization tags and records all purchases and disposals in a fixed asset control record.

5. COMPENSATED ABSENCES

Vested or accumulated vacation leave that is expected to be liquidated with available resources is reported as a liability. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. The liability for accrued vacation as of June 30, 2021 was \$32,626.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

6. PENSION PLAN

On September 1, 1995, the Council established the SEMO Private Industry Council Retirement Savings Plan. The Plan was amended to include employees of the Workforce Development Board. The Plan is a defined contribution plan under 401 of the IRC. The intent of the Plan is to provide retirement benefits to eligible employees. The Plan is fully insured through the Principal Mutual Life Insurance Company. The Organization is required to contribute an amount equal to 3% of employee's wages. Plan provision and contribution requirements are established and may be amended by the Board of Directors of the Organization. Employer contributions for the fiscal year ended June 30, 2021 was \$15,730.

7. FUNCTIONAL EXPENSES

The Organization classifies all expense reimbursements to subcontractors, regardless of the subcontractors' functional classification, as program expenses. Expenses incurred in support of the regional career centers are additionally recorded as program expenses. The Organization does not engage in a significant amount of fundraising activities.

In addition to the subcontractor expense reimbursements and career center expenses, the Organization does directly incur program and administrative expenses. The non-direct expenses of the Organization are allocated to programs based on the number of active participants of a program in relation to the total number of active participants served, some of which are after factoring in an approved indirect cost rate.

8. SUBCONTRACTORS

The Organization often finds that it is more efficient and mutually beneficial to subcontract the administration of Workforce Development programs to existing agencies in the service area. The Organization had a contract with MERS / Goodwill Industries during the year ended June 30, 2021 to administer some of the Organization's grants.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

9. COMMITMENTS AND CONTINGENCIES

The Organization receives the majority of its revenue from Workforce Innovation and Opportunities Act grants administered by the State of Missouri Division of Workforce Development Board. As of and for the year ended June 30, 2021, approximately 76% of Organization revenues were from Workforce Innovation and Opportunities Act grants. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of expected funds for the next fiscal year.

State and federal grants require the fulfillment of certain conditions as set forth in the instrument of the grants. Failure to fulfill the conditions could result in the requirement that certain funds be returned to the grantors. Management deems this contingency remote, however, since by accepting the grants and their terms, it has accommodated the objective of the Organization to the provisions of the grants.

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Organization maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization.

10. LEASE COMMITMENTS

The Organization was committed under a lease agreement for building and office space. The lease was considered an operating lease for accounting purposes. The lease originally commenced on May 1, 2008 and via subsequent amendments the lease was extended through July 1, 2021. Subsequent to July 1, 2021, the lease is month to month. Total gross rent expense for the year ended June 30, 2021 was \$59,695.

The Organization also pays rent for each of their three (3) regional career centers. These agreements are generally month to month. Total gross rent for the year ended June 30, 2021 as paid these regional career centers was \$20,100.

11. SUBSEQUENT EVENTS

Effective October 1, 2022, the Organization has determined it beneficial to contract the operational portion of all programs with a subcontractor. The Organization will provide oversight responsibilities for all grant funds that are passed-thru to the subcontractor.

SUPPLEMENTARY INFORMATION

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FINANCIAL POSITION BY FUND - REGULATORY BASIS

JUNE 30, 2021

| | R35 | T80 | T85 | U03 | U04 | U12 | U15 | U17 |
|------------------------------------|-----------------------------|-----------------|-------------------------------|-----------------|--------------------------------|-----------------------------------|-----------------|-------------------------------------|
| | Show Me Heroes FY '17 | Youth PY '18 | Marble Hill GED Fund | Adult FY '20 | Dislocated Worker FY '20 | 15% Youth Program PY '20 | Youth PY '19 | SEMO Works Together FY '19 |
| ASSETS: | | | | | | | | |
| Cash | \$ 1,432 | \$ 204 | \$ 675 | \$ - | \$ - | \$ - | \$ 498 | \$ (15,318) |
| Accounts Receivable | - | - | - | - | - | - | - | 16,246 |
| Deposits | - | - | - | - | - | - | - | - |
| TOTAL | \$ 1,432 | \$ 204 | \$ 675 | \$ - | \$ - | \$ - | \$ 498 | \$ 928 |
| LIABILITIES AND NET ASSETS: | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable | \$ - | \$ 204 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 671 |
| Accrued Expenses | - | - | - | - | - | - | 498 | 257 |
| Compensated Absences | - | - | - | - | - | - | - | - |
| Unearned Revenue | 1,432 | - | - | - | - | - | - | - |
| Total Liabilities | \$ 1,432 | \$ 204 | \$ - | \$ - | \$ - | \$ - | \$ 498 | \$ 928 |
| Net Assets: | | | | | | | | |
| Without Donor Restrictions | \$ - | \$ - | \$ 675 | \$ - | \$ - | \$ - | \$ - | \$ - |
| With Donor Restrictions | - | - | - | - | - | - | - | - |
| Total Net Assets | \$ - | \$ - | \$ 675 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 1,432 | \$ 204 | \$ 675 | \$ - | \$ - | \$ - | \$ 498 | \$ 928 |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FINANCIAL POSITION BY FUND - REGULATORY BASIS

JUNE 30, 2021

| | U18 Central Missouri Works Together FY '19 | U71 Skill Up FY '20 | V03 Adult FY '21 | V04 Dislocated Worker FY '21 | V05 Adult PY '20 | V06 Dislocated Worker PY '20 | V10 NDWG COVID PY '20 | V15 Youth PY '20 |
|------------------------------------|---|---------------------------|------------------------|---------------------------------------|------------------------|---------------------------------------|--------------------------------|------------------------|
| ASSETS: | | | | | | | | |
| Cash | \$ (836) | \$ 2,461 | \$ 34,106 | \$ 17,881 | \$ - | \$ - | \$ (753) | \$ 16,534 |
| Accounts Receivable | 836 | - | - | 1,447 | - | - | 1,147 | 20,865 |
| Deposits | - | - | - | - | - | - | - | - |
| TOTAL | <u>\$ -</u> | <u>\$ 2,461</u> | <u>\$ 34,106</u> | <u>\$ 19,328</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 394</u> | <u>\$ 37,399</u> |
| LIABILITIES AND NET ASSETS: | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 28,704 | \$ 19,135 | \$ - | \$ - | \$ 213 | \$ 35,066 |
| Accrued Expenses | - | 89 | 289 | 193 | - | - | 181 | 2,333 |
| Compensated Absences | - | - | - | - | - | - | - | - |
| Unearned Revenue | - | 2,372 | 5,113 | - | - | - | - | - |
| Total Liabilities | <u>\$ -</u> | <u>\$ 2,461</u> | <u>\$ 34,106</u> | <u>\$ 19,328</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 394</u> | <u>\$ 37,399</u> |
| Net Assets: | | | | | | | | |
| Without Donor Restrictions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| With Donor Restrictions | - | - | - | - | - | - | - | - |
| Total Net Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| TOTAL | <u>\$ -</u> | <u>\$ 2,461</u> | <u>\$ 34,106</u> | <u>\$ 19,328</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 394</u> | <u>\$ 37,399</u> |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FINANCIAL POSITION BY FUND - REGULATORY BASIS

JUNE 30, 2021

| | V21 | V29 | V62 | V66 | V71 | 900 | M50 | M52 |
|------------------------------------|-----------------------|------------------------|---------------------------------|---------------------------|--------------------|------------------------------------|----------------------------------|------------------------------|
| | Youth EO PY '20 | NEG MO-43 FY '19 | DFS Summer Jobs FY '21 | FNS Skill Up FY '21 | Skill Up FY '21 | Non Federal Donation Fund | Cape Career Center Fund | Manufacturing Day Fund |
| ASSETS: | | | | | | | | |
| Cash | \$ (155) | \$ 9 | \$ (12,241) | \$ 712 | \$ (5,615) | \$ 3,815 | \$ 1,826 | \$ 8,087 |
| Accounts Receivable | 155 | - | 14,322 | - | 6,812 | - | - | - |
| Deposits | - | - | - | - | - | - | - | - |
| TOTAL | \$ - | \$ 9 | \$ 2,081 | \$ 712 | \$ 1,197 | \$ 3,815 | \$ 1,826 | \$ 8,087 |
| LIABILITIES AND NET ASSETS: | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable and Accrueds | \$ - | \$ - | \$ 565 | \$ - | \$ 664 | \$ - | \$ - | \$ - |
| Accrued Expenses | - | 6 | 1,516 | 45 | 533 | - | - | - |
| Compensated Absences | - | - | - | - | - | - | - | - |
| Unearned Revenue | - | 3 | - | 667 | - | - | - | - |
| Total Liabilities | \$ - | \$ 9 | \$ 2,081 | \$ 712 | \$ 1,197 | \$ - | \$ - | \$ - |
| Net Assets: | | | | | | | | |
| Without Donor Restrictions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,815 | \$ 1,826 | \$ 8,087 |
| With Donor Restrictions | - | - | - | - | - | - | - | - |
| Total Net Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,815 | \$ 1,826 | \$ 8,087 |
| TOTAL | \$ - | \$ 9 | \$ 2,081 | \$ 712 | \$ 1,197 | \$ 3,815 | \$ 1,826 | \$ 8,087 |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF FINANCIAL POSITION BY FUND - REGULATORY BASIS

JUNE 30, 2021

| | Workforce Development Board Admin FY '21 | TOTAL |
|------------------------------------|--|--------------------------|
| | <u> </u> | <u> </u> |
| ASSETS: | | |
| Cash | \$ 52,140 | \$ 105,462 |
| Accounts Receivable | 1,202 | 63,032 |
| Deposits | <u>5,250</u> | <u>5,250</u> |
| TOTAL | <u>\$ 58,592</u> | <u>\$ 173,744</u> |
| LIABILITIES AND NET ASSETS: | | |
| Liabilities: | | |
| Accounts Payable | \$ 5,527 | \$ 90,749 |
| Accrued Expenses | 8,843 | 14,783 |
| Compensated Absences | 32,626 | 32,626 |
| Unearned Revenue | <u>-</u> | <u>9,587</u> |
| Total Liabilities | <u>\$ 46,996</u> | <u>\$ 147,745</u> |
| Net Assets: | | |
| Without Donor Restrictions | \$ 11,596 | \$ 25,999 |
| With Donor Restrictions | <u>-</u> | <u>-</u> |
| Total Net Assets | <u>\$ 11,596</u> | <u>\$ 25,999</u> |
| TOTAL | <u>\$ 58,592</u> | <u>\$ 173,744</u> |

Concluded

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF ACTIVITIES BY FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

| | R35 | T80 | T85 | U03 | U04 | U12 | U15 |
|---|-----------------------------|-----------------|-------------------------------|-------------------|--------------------------------|-----------------------------------|------------------|
| | Show Me Heroes FY '17 | Youth PY '18 | Marble Hill GED Fund | Adult FY '20 | Dislocated Worker FY '20 | 15% Youth Program PY '20 | Youth PY '19 |
| NET ASSETS WITHOUT RESTRICTIONS: | | | | | | | |
| Public Support and Revenues: | | | | | | | |
| Federal Grants and Contracts | \$ - | \$ - | \$ - | \$ 24,906 | \$ 18,730 | \$ - | \$ 35,987 |
| Job Fair Fees | - | - | - | - | - | - | - |
| Interest and Other Revenue | - | - | - | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,906</u> | <u>\$ 18,730</u> | <u>\$ -</u> | <u>\$ 35,987</u> |
| Net Assets Released from Purpose Restrictions | - | - | - | 84,939 | 308,071 | 48,309 | 53,017 |
| Total Public Support and Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 109,845</u> | <u>\$ 326,801</u> | <u>\$ 48,309</u> | <u>\$ 89,004</u> |
| Expenses: | | | | | | | |
| Administrative Services | \$ - | \$ - | \$ - | \$ 24,906 | \$ 18,730 | \$ - | \$ 35,987 |
| Program Services | - | - | - | 84,939 | 308,071 | 48,309 | 53,017 |
| Total Expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 109,845</u> | <u>\$ 326,801</u> | <u>\$ 48,309</u> | <u>\$ 89,004</u> |
| Change in Net Assets Without Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS WITH RESTRICTIONS: | | | | | | | |
| Federal Grants and Contracts | \$ - | \$ - | \$ - | \$ 84,939 | \$ 308,071 | \$ 48,309 | \$ 53,017 |
| Net Assets Released from Purpose Restrictions | - | - | - | (84,939) | (308,071) | (48,309) | (53,017) |
| Change in Net Assets With Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| CHANGE IN NET ASSETS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NET ASSETS, BEGINNING OF YEAR | - | - | 675 | - | - | - | - |
| NET ASSETS, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 675</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF ACTIVITIES BY FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

| | U17 | U18 Central Missouri Works Together FY '19 | U71 Skill Up FY '20 | V03 Adult FY '21 | V04 Dislocated Worker FY '21 | V05 Adult PY '20 | V06 Dislocated Worker PY '20 |
|---|-------------------|---|---------------------------|------------------------|---------------------------------------|------------------------|---------------------------------------|
| NET ASSETS WITHOUT RESTRICTIONS: | | | | | | | |
| Public Support and Revenues: | | | | | | | |
| Federal Grants and Contracts | \$ 6,316 | \$ 5,389 | \$ - | \$ 58,645 | \$ 26,427 | \$ 8,556 | \$ 12,184 |
| Job Fair Fees | - | - | - | - | - | - | - |
| Interest and Other Revenue | - | - | - | - | - | - | - |
| | <u>\$ 6,316</u> | <u>\$ 5,389</u> | <u>\$ -</u> | <u>\$ 58,645</u> | <u>\$ 26,427</u> | <u>\$ 8,556</u> | <u>\$ 12,184</u> |
| Net Assets Released from Purpose Restrictions | <u>123,547</u> | <u>63,842</u> | <u>18,216</u> | <u>421,242</u> | <u>325,020</u> | <u>110,347</u> | <u>110,913</u> |
| Total Public Support and Revenues | <u>\$ 129,863</u> | <u>\$ 69,231</u> | <u>\$ 18,216</u> | <u>\$ 479,887</u> | <u>\$ 351,447</u> | <u>\$ 118,903</u> | <u>\$ 123,097</u> |
| Expenses: | | | | | | | |
| Administrative Services | \$ 6,316 | \$ 5,389 | \$ - | \$ 58,645 | \$ 26,427 | \$ 8,556 | \$ 12,184 |
| Program Services | <u>123,547</u> | <u>63,842</u> | <u>18,216</u> | <u>421,242</u> | <u>325,020</u> | <u>110,347</u> | <u>110,913</u> |
| Total Expenses | <u>\$ 129,863</u> | <u>\$ 69,231</u> | <u>\$ 18,216</u> | <u>\$ 479,887</u> | <u>\$ 351,447</u> | <u>\$ 118,903</u> | <u>\$ 123,097</u> |
| Change in Net Assets Without Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS WITH RESTRICTIONS: | | | | | | | |
| Federal Grants and Contracts | \$ 123,547 | \$ 63,842 | \$ 18,216 | \$ 421,242 | \$ 325,020 | \$ 110,347 | \$ 110,913 |
| Net Assets Released from Purpose Restrictions | <u>(123,547)</u> | <u>(63,842)</u> | <u>(18,216)</u> | <u>(421,242)</u> | <u>(325,020)</u> | <u>(110,347)</u> | <u>(110,913)</u> |
| Change in Net Assets With Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| CHANGE IN NET ASSETS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NET ASSETS, BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF ACTIVITIES BY FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

| | V10 | V15 | V21 | V29 | V62 | V66 | V71 |
|---|-------------------------|-------------------|-----------------------|------------------------|---------------------------------|---------------------------|--------------------|
| | NDWG COVID PY '20 | Youth PY '20 | Youth EO PY '20 | NEG MO-43 FY '19 | DFS Summer Jobs FY '21 | FNS Skill Up FY '21 | Skill Up FY '21 |
| NET ASSETS WITHOUT RESTRICTIONS: | | | | | | | |
| Public Support and Revenues: | | | | | | | |
| Federal Grants and Contracts | \$ 1,470 | \$ 35,913 | \$ 412 | \$ 1,200 | \$ 122 | \$ 440 | \$ 18,811 |
| Job Fair Fees | - | - | - | - | - | - | - |
| Interest and Other Revenue | - | - | - | - | - | - | - |
| | <u>\$ 1,470</u> | <u>\$ 35,913</u> | <u>\$ 412</u> | <u>\$ 1,200</u> | <u>\$ 122</u> | <u>\$ 440</u> | <u>\$ 18,811</u> |
| Net Assets Released from Purpose Restrictions | <u>24,662</u> | <u>396,952</u> | <u>22,243</u> | <u>43,140</u> | <u>66,512</u> | <u>28,871</u> | <u>259,397</u> |
| Total Public Support and Revenues | <u>\$ 26,132</u> | <u>\$ 432,865</u> | <u>\$ 22,655</u> | <u>\$ 44,340</u> | <u>\$ 66,634</u> | <u>\$ 29,311</u> | <u>\$ 278,208</u> |
| Expenses: | | | | | | | |
| Administrative Services | \$ 1,470 | \$ 35,913 | \$ 412 | \$ 1,200 | \$ 122 | \$ 440 | \$ 18,811 |
| Program Services | <u>24,662</u> | <u>396,952</u> | <u>22,243</u> | <u>43,140</u> | <u>66,512</u> | <u>28,871</u> | <u>259,397</u> |
| Total Expenses | <u>\$ 26,132</u> | <u>\$ 432,865</u> | <u>\$ 22,655</u> | <u>\$ 44,340</u> | <u>\$ 66,634</u> | <u>\$ 29,311</u> | <u>\$ 278,208</u> |
| Change in Net Assets Without Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS WITH RESTRICTIONS: | | | | | | | |
| Federal Grants and Contracts | \$ 24,662 | \$ 396,952 | \$ 22,243 | \$ 43,140 | \$ 66,512 | \$ 28,871 | \$ 259,397 |
| Net Assets Released from Purpose Restrictions | <u>(24,662)</u> | <u>(396,952)</u> | <u>(22,243)</u> | <u>(43,140)</u> | <u>(66,512)</u> | <u>(28,871)</u> | <u>(259,397)</u> |
| Change in Net Assets With Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| CHANGE IN NET ASSETS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NET ASSETS, BEGINNING OF YEAR | - | - | - | - | - | - | - |
| NET ASSETS, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Continued

The accompanying notes are an integral part of these financial statements.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

STATEMENT OF ACTIVITIES BY FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

| | 900 | M50 | M52 | Workforce Development Board Admin FY '21 | <u>TOTAL</u> |
|---|------------------------------------|----------------------------------|------------------------------|--|-------------------------|
| | Non Federal Donation Fund | Cape Career Center Fund | Manufacturing Day Fund | | |
| NET ASSETS WITHOUT RESTRICTIONS: | | | | | |
| Public Support and Revenues: | | | | | |
| Federal Grants and Contracts | \$ - | \$ - | \$ - | \$ - | \$ 255,508 |
| Job Fair Fees | - | - | - | 1,683 | 1,683 |
| Interest and Other Revenue | - | - | - | 2,872 | 2,872 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,555</u> | <u>\$ 260,063</u> |
| Net Assets Released from Purpose Restrictions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,509,240</u> |
| Total Public Support and Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,555</u> | <u>\$ 2,769,303</u> |
| Expenses: | | | | | |
| Administrative Services | \$ - | \$ - | \$ - | \$ 3,377 | \$ 258,885 |
| Program Services | - | - | - | 1,683 | 2,510,923 |
| Total Expenses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,060</u> | <u>\$ 2,769,808</u> |
| Change in Net Assets Without Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (505)</u> | <u>\$ (505)</u> |
| NET ASSETS WITH RESTRICTIONS: | | | | | |
| Federal Grants and Contracts | \$ - | \$ - | \$ - | \$ - | \$ 2,509,240 |
| Net Assets Released from Purpose Restrictions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,509,240)</u> |
| Change in Net Assets With Restrictions | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| CHANGE IN NET ASSETS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (505)</u> | <u>\$ (505)</u> |
| NET ASSETS, BEGINNING OF YEAR | <u>3,815</u> | <u>1,826</u> | <u>8,087</u> | <u>12,101</u> | <u>26,504</u> |
| NET ASSETS, END OF YEAR | <u><u>\$ 3,815</u></u> | <u><u>\$ 1,826</u></u> | <u><u>\$ 8,087</u></u> | <u><u>\$ 11,596</u></u> | <u><u>\$ 25,999</u></u> |

Concluded

The accompanying notes are an integral part of these financial statements.

FEDERAL COMPLIANCE SECTION

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

| Federal Grantor Pass - Through Grantor Program Title | Grant or Contract Number | Federal CFDA Number | Expenditures | Subrecipient Expenditures |
|---|--------------------------------|---------------------------|---------------------|------------------------------|
| U.S. Department of Labor: | | | | |
| Passed - Through Missouri Division of Workforce Development: | | | | |
| Workforce Innovation and Opportunity Act (WIOA) Cluster: | | | | |
| WIOA Adult Programs: | | | | |
| FY '20 WIOA Title I-B Adult | 10-11-11-19 | 17.258 | \$ 109,845 | \$ 8,327 |
| FY '21 WIOA Title I-B Adult | 10-11-11-20 | 17.258 | 479,887 | 4,175 |
| PY '20 WIOA Title I-B Adult | 10-11-11-20 | 17.258 | 118,903 | - |
| | | | <u>\$ 708,635</u> | <u>\$ 12,502</u> |
| WIOA Youth Programs: | | | | |
| PY '20 WIOA Title I-B Youth - 15% | 10-11-11-19 | 17.259 | \$ 48,309 | \$ - |
| PY '19 WIOA Title I-B Youth | 10-11-11-19 | 17.259 | 89,004 | |
| PY '20 WIOA Title I-B Youth | 10-11-11-20 | 17.259 | 432,865 | |
| PY '20 WIOA Title I-B Youth - EO | 10-11-11-20 | 17.259 | 22,655 | - |
| | | | <u>\$ 592,833</u> | <u>\$ -</u> |
| WIOA Dislocated Worker Formula Grants: | | | | |
| FY '20 WIOA Title I-B Dislocated Worker | 10-11-11-19 | 17.278 | \$ 326,801 | \$ 1,905 |
| FY '21 WIOA Title I-B Dislocated Worker | 10-11-11-20 | 17.278 | 351,447 | 10,181 |
| PY '20 WIOA Title I-B Dislocated Worker | 10-11-11-20 | 17.278 | 123,097 | 1,106 |
| | | | <u>\$ 801,345</u> | <u>\$ 13,192</u> |
| Subtotal for the Workforce Innovation and Opportunity Act (WIOA) Cluster: | | | <u>\$ 2,102,813</u> | <u>\$ 25,694</u> |
| Passed - Through Missouri Division of Workforce Development | | | | |
| WIOA National Dislocated Worker Grant / WIA National Emergency Grant - SEMO Works Together | | | | |
| | 10-11-11-19 | 17.277 | \$ 129,863 | \$ - |
| WIOA National Dislocated Worker Grant / WIA National Emergency Grant - Central MO Works Together | | | | |
| | 10-11-11-19 | 17.277 | 69,231 | |
| WIOA National Dislocated Worker Grant / WIA National Emergency Grant - COVID - PY '20 | | | | |
| | 10-11-11-20 | 17.277 | 26,132 | |
| WIOA National Dislocated Worker Grant / WIA National Emergency Grant - MO 43 - FY '19 | | | | |
| | 10-11-11-20 | 17.277 | 44,340 | - |
| | | | <u>\$ 269,566</u> | <u>\$ -</u> |
| Total U.S. Department of Labor | | | <u>\$ 2,372,379</u> | <u>\$ 25,694</u> |

Continued

The accompanying notes are an integral part of this statement.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

| Federal Grantor Pass - Through Grantor Program Title | Grant or Contract Number | Federal CFDA Number | Expenditures | Subrecipient Expenditures |
|---|--------------------------------|---------------------------|---------------------|------------------------------|
| U.S. Department of Health and Human Services | | | | |
| Passed - Through Missouri Department of Social Services: | | | | |
| Temporary Assistance for Needy Families - Skill Up - FY '20 | 20380042 | 93.558 | \$ 18,216 | \$ - |
| Temporary Assistance for Needy Families - Summer Jobs - FY '21 | 20380042 | 93.558 | 66,634 | - |
| Temporary Assistance for Needy Families - Skill Up - FY '21 | 20380042 | 93.558 | 278,208 | - |
| Total U.S. Department of Health and Human Services | | | <u>\$ 363,058</u> | <u>\$ -</u> |
| U.S. Department of Agriculture | | | | |
| Passed - Through Missouri Department of Social Services: | | | | |
| FY '21 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Skill Up | | 10.561 | \$ 29,311 | \$ - |
| Total U.S. Department of Agriculture | | | <u>\$ 29,311</u> | <u>\$ -</u> |
| Total Federal Expenditures | | | <u>\$ 2,764,748</u> | <u>\$ 25,694</u> |

Concluded

The accompanying notes are an integral part of this statement.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting in accordance with the accounting practices prescribed by its funding sources, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cost of equipment purchased by subcontractors with grant funds or directly by the Organization with grants funds is charged to expense in the period of purchase. The Organization also records certain prepaid expenses and any subsequent adjustments to those expenses in the year paid, even though they may extend beyond the current year, to coincide with the grant reporting which provides funding upon payment and incurrence of a contractual obligation. Such expenditures are also recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

The Organization had contracts with MERS / Goodwill Industries during the year ended June 30, 2021 to administer some of the Organization's grants.

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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VICKI M. MCLEMORE
GLORIA S. PENDER
FALIN J. HINSHAW

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 Development Board of Southeast Missouri Cape Girardeau, Missouri

We have audited, in accordance with 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 Development Board of Southeast Missouri (the "Organization"), which comprise the statement of financial position – regulatory basis as of June 30, 2021, and the related statements of activities – regulatory basis, functional expenses – regulatory basis and cash flows – regulatory basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2022. In our report, as described in Note 1, the Organization prepares its financial statements in conformity with the financial reporting practices prescribed or permitted by the Missouri Department of Economic Development (Division of Workforce Development), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

**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***

**Workforce Development Board
of Southeast Missouri**

Compliance and Other Matters

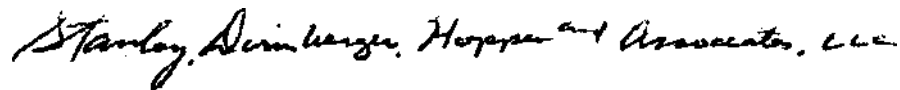
As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, 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*.

Organization's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants**

Cape Girardeau, Missouri
August 19, 2022

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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GLORIA S. PENDER
FALIN J. HINSHAW

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Board of Directors
Workforce Development Board
of Southeast Missouri
Cape Girardeau, Missouri**

Report on Compliance for Each Major Federal Program

We have audited the Workforce Development Board of Southeast Missouri's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Workforce Development Board of Southeast Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
Workforce Development Board
of Southeast Missouri**

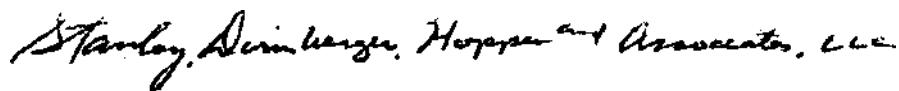
Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a significant deficiency.

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.



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants

Cape Girardeau, Missouri
August 19, 2022

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS:

| | |
|---|------------------------|
| Type of auditors’ report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | ___ Yes <u>X</u> No |
| Significant deficiency(ies) identified? | <u>X</u> Yes ___ No |
| Noncompliance material to financial statements noted? | ___ Yes <u>X</u> No |

FEDERAL AWARDS:

| | |
|---|------------------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | ___ Yes <u>X</u> No |
| Significant deficiency(ies) identified? | <u>X</u> Yes ___ No |
| Type of auditors’ report issued on compliance for major programs | Unqualified |
| Any audit findings disclosed that are required to reported in accordance with 2 CFR section 200.516(a)? | ___ Yes <u>X</u> No |
| Identification of major programs: | |

| <u>CFDA Number</u> | <u>Name of Program (Cluster)</u> |
|--------------------|---------------------------------------|
| WIOA Cluster: | |
| 17.258 | WIOA Adult Programs |
| 17.259 | WIOA Youth Programs |
| 17.278 | WIOA Dislocated Worker Formula Grants |

| | |
|--|---------------------|
| Dollar threshold used to distinguish between type A and type B programs? | \$ 750,000.00 |
| Auditee qualified as low-risk auditee? | ___ Yes <u>X</u> No |

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiencies:

2021-001: Monthly Reconciliation Procedures

Condition: Unreconciled differences with certain balance sheet accounts were identified and a number of adjustments were required to correct accounts. Additionally, it was noted that balance sheet accounts, other than cash accounts, were not being reconciled and reviewed in a timely manner.

Criteria: Proper internal controls require monthly reconciliation of all balance sheet accounts utilized by the Organization. Unreconciled differences should be resolved each month.

Effect: Because all balance sheet accounts were not being reconciled on a routine and timely basis, unreconciled differences were identified and the potential for inconsistencies and errors is increased.

Recommendation: The Organization should implement processes and procedures to ensure all balance sheet accounts are reconciled monthly and in a timely manner. Unreconciled differences must be investigated and corrected in the month of reconciliation.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with the finding and will continue to provide the necessary training for all individuals involved in this area. The Organization is aware of these reconciliation concerns and has implemented additional processes and procedures and provided additional oversight.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Labor and U.S. Department of Health and Human Services:

Item 2021-002: Internal Control over Compliance

Significant Deficiency: As discussed in finding 2021-001, the Organization's balance sheet accounts, other than cash accounts, were not being reconciled and reviewed in a timely manner. Unreconciled differences were identified and adjustments were required. Without proper control over the reconciliation of all balance sheet accounts, including the timeliness of such reconciliations, the control over allowable costs and the reporting of allowable costs could be compromised. The Organization must improve procedures to ensure monthly reconciliation of all balance sheet accounts are being performed and done so in a timely manner.

Refer to finding 2021-001 for the views of responsible officials and planned corrective actions.

**WORKFORCE DEVELOPMENT BOARD
OF SOUTHEAST MISSOURI
Cape Girardeau, Missouri**

SCHEDULE OF RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

The prior year audit report issued for the year ended June 30, 2020 included no audit findings that *Government Auditing Standards* required to be reported for an audit of financial statements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The prior year audit report issued for the year ended June 30, 2020, included no audit findings as defined by the Uniform Guidance 2 CFR section 200.516(a) required to be reported for an audit of federal awards.



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August 19, 2022

Stanley, Dirnberger, Hopper, and Associates, LLC

Certified Public Accountants

1441 N. Mount Auburn Road

Cape Girardeau, Missouri 63701

The Workforce Development Board of Southeast Missouri respectfully submits the following corrective action plan for the year ended June 30, 2021. The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

Financial Statement Findings (Significant Deficiencies):

2021-001: Monthly Reconciliation Procedures

Condition: Unreconciled differences with certain balance sheet accounts were identified and a number of adjustments were required to correct accounts. Additionally, it was noted that balance sheet accounts, other than cash accounts, were not being reconciled and reviewed in a timely manner.

Criteria: Proper internal controls require monthly reconciliation of all balance sheet accounts utilized by the Organization. Unreconciled differences should be resolved each month.

Effect: Because all balance sheet accounts were not being reconciled on a routine and timely basis, unreconciled differences were identified and the potential for inconsistencies and errors is increased.

Recommendation: The Organization should implement processes and procedures to ensure all balance sheet accounts are reconciled monthly and in a timely manner. Unreconciled differences must be investigated and corrected in the month of reconciliation.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with the finding and will continue to provide the necessary training for all individuals involved in this area. The Organization is aware of these reconciliation concerns and has implemented additional processes and procedures and provided additional oversight.

Corrective Action Plan

Workforce Development Board of Southeast Missouri

Federal Award Findings and Questioned Costs:

U.S. Department of Labor and U.S. Department of Health and Human Services:

Item 2021-002: Internal Control over Compliance

Significant Deficiency: As discussed in finding 2021-001, the Organization's balance sheet accounts, other than cash accounts, were not being reconciled and reviewed in a timely manner. Unreconciled differences were identified and adjustments were required. Without proper control over the reconciliation of all balance sheet accounts, including the timeliness of such reconciliations, the control over allowable costs and the reporting of allowable costs could be compromised. The Organization must improve procedures to ensure monthly reconciliation of all balance sheet accounts are being performed and done so in a timely manner.

Refer to finding 2021-001 for the views of responsible officials and planned corrective actions.

Sincerely,



Tammy Tankersley

President / COO