



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

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

**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2022**

SOUTH WESTERN WV REGION 2 WORKFORCE INVESTMENT BOARD, INC.

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Financial Statements:	
Statement of Financial Position .....	4
Statement of Activities .....	5
Statement of Functional Expenses .....	6
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8
Supplementary Information:	
Schedule of Expenditures of Federal Awards .....	12
Notes to the Schedule of Expenditures of Federal Awards .....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	14
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance .....	16
Schedule of Audit Findings .....	19



## 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, 2022, 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, 2022, 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.

#### ***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 February 28, 2023, 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

February 28, 2023

**SOUTH WESTERN WEST VIRGINIA  
REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2022**

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<b>ASSETS</b>	<u><b>2022</b></u>
Cash and Cash Equivalents	\$ 395,916
Grants Receivable	301,665
Other Current Receivable	10,962
Prepaid assets and deposits	<u>7,081</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 715,624</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 294,946
Accrued Wages and Benefits	32,285
Accrued Expenses	37,416
Deferred Revenue	<u>9,258</u>
<b>TOTAL LIABILITIES</b>	<u>373,905</u>
 <b>NET ASSETS</b>	
Without Donor Restrictions	<u>341,719</u>
<b>TOTAL NET ASSETS</b>	<u><u>341,719</u></u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 715,624</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, 2022**

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>OPERATING SUPPORT AND REVENUES</b>			
Grant Revenues	\$ -	\$ 4,715,535	\$ 4,715,535
Ticket To Work/Other Unrestricted	49,717	-	49,717
Net Assets Released from Restrictions	4,715,535	(4,715,535)	-
Total Unrestricted Support and Revenue	4,765,252	-	4,765,252
<b>EXPENSES</b>			
Participant Services & Support	4,385,249	-	4,385,249
Supporting services:			
Management & General	352,938	-	352,938
Total Support Services	352,938	-	352,938
Total Expenses	4,738,187	-	4,738,187
<b>CHANGE IN NET ASSETS</b>	<b>27,065</b>	<b>-</b>	<b>27,065</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>314,654</b>	<b>-</b>	<b>314,654</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 341,719</b>	<b>\$ -</b>	<b>\$ 341,719</b>

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, 2022**

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	<u>Participant Services &amp; Support</u>	<u>Management &amp; General</u>	<u>Total</u>
<b>OPERATING EXPENSES</b>			
Participant Training & Support	\$ 2,487,718	\$ -	\$ 2,487,718
Salaries and Benefits	965,340	126,341	1,091,681
Contractual Fees	302,421	6,262	308,683
Occupancy	316,510	24,988	341,498
Professional Services	13,965	125,658	139,623
Travel & Conference	72,167	613	72,780
Office and Meeting Expense	111,055	35,868	146,923
Telephone	66,869	7,489	74,358
Insurance	-	25,719	25,719
MACC Fees	44,105	-	44,105
Outreach	5,099	-	5,099
 Total expenses	 <u>\$ 4,385,249</u>	 <u>\$ 352,938</u>	 <u>\$ 4,738,187</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, 2022**

	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ 27,065
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by (Used in) Operating Activities:	
Changes in:	
(Increase) Decrease in grants receivable	(43,758)
(Increase) Decrease in other receivables	23,838
(Increase) Decrease in prepaid assets and deposits	14,770
Increase (Decrease) in accounts payable	29,483
Increase (Decrease) in accrued wages and benefits	(699)
Increase (Decrease) in accrued expenses	9,524
Increase (Decrease) in deferred revenue	9,258
Net Cash Provided by (Used in) Operating Activities	69,481
Net Increase (Decrease in) Cash and Cash Equivalents	69,481
Cash and Cash Equivalents, Beginning of Year	326,435
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 395,916</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, 2022**

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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, 2022, 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, 2022.

**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, 2022 were \$301,665.

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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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, 2022 was \$9,258.

**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, 2022 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, 2022, 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 2019, 2020 and 2021 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, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$ 395,916
Grants and other receivables	312,627
Total financial assets	<u>708,543</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>\$ 708,543</u>

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**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, 2022 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 OPERATING LEASES**

The Board leases facilities for Workforce Investment Centers under operating leases. The lease agreements are one to five year periods. For the year ended June 30, 2022, total costs amounted to approximately \$325,311 recorded in the financial statements in accordance with grant budgets. All leases may be canceled in writing by either party with thirty-day notice.

The Board sub-leases a portion of its leases to two entities for a total of approximately \$2,238 per month with the leases renewing on a monthly basis unless canceled in writing by either party thirty days before the end of the current lease period. Income recognized from these lease transactions as of June 30, 2022 was \$39,754, and the expected future rental income from these sub-leases is \$80,288.

**NOTE 6 NET ASSETS**

Net assets without donor restrictions for the year ended June 30, 2022 are as follows:

Undesignated \$341,719

Net assets released donor restrictions are as follows:

Satisfaction of Purpose Restrictions  
Participant Services & Support \$4,715,535

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**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 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**

The United States and the State of West Virginia declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact the subsequent period of the Board. The Board's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Subsequent events have been evaluated through February 28, 2023, which is the date the financial statements were available to be issued.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<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>Passed Through to Subrecipients</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	G210511	\$ 18,258	\$ -
Supplemental Nutrition Assistance Program	10.561	G220098	<u>85,448</u>	<u>-</u>
Total U.S. Department of Agriculture			103,706	
<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	G220026	<u>809,173</u>	<u>-</u>
<b>Total U.S. Department of Health &amp; Human Resources</b>			809,173	
<b>U.S DEPARTMENT OF LABOR</b>				
<i>Passed through Workforce West Virginia: WIOA Cluster</i>				
Adult	17.258	21*0570	334,036	22,299
Adult	17.258	22*0129	535,944	17,882
NDWG - Severe Winter Storms	17.277	21*NDWG	293,607	284,981
SSA EEPP Adult/Dislocated Workers	17.258 & 17.278	20*1760	708,956	-
<b>Total Adult</b>			<u>1,872,542</u>	<u>325,162</u>
Youth	17.259	21*0570	747,636	-
Youth	17.259	22*0129	119,788	-
<b>Total Youth</b>			<u>867,424</u>	<u>-</u>
Dislocated Workers	17.278	21*0570	786,806	28,464
Dislocated Workers	17.278	22*0129	275,883	11,717
<b>Total Dislocated Workers</b>			<u>1,062,689</u>	<u>40,181</u>
<b>Total WIOA Cluster</b>			<u>3,802,656</u>	<u>405,524</u>
<b>Total U.S.Department of Labor</b>			<u>3,802,656</u>	<u>405,524</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,715,534</u>	<u>\$ 405,524</u>

See the accompanying notes to the Schedule of Expenditures or Federal Awards.

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

**FOR THE YEAR ENDED JUNE 30, 2022**

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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, 2022. 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. The Board uses the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 SUBRECIPIENTS**

The Board passes certain federal awards received from the U.S. Department of Labor to other not-for-profit agencies (subrecipients). As described in Note 2, the Board reports expenditures of Federal awards to subrecipients when earned.

As a subrecipient, the Board has certain responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.



**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, 2022, and the related notes to the financial statements and have issued our report thereon dated February 28, 2023.

***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*.

Marietta, OH

St. Clairsville, OH

Cambridge, OH

Wheeling, WV

Vienna, WV



***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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

February 28, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH 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 Each Major Federal Program**

***Opinion on Each 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 programs for the year ended June 30, 2022. South Western West Virginia Region 2 Workforce Investment Board, Inc.'s major federal programs are 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 each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each 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 each 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 each 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.

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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

February 28, 2023

**SOUTH WESTERN WV REGION 2 WORKFORCE INVESTMENT BOARD, INC.  
SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 # 17.278 WIOA Dislocated Workers Formula Grants.  AL #93.558 Temporary Assistance for Needy Families (TANF)
<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>	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None