

**United Migrant Opportunity
Services/UMOS INC.**

Milwaukee, Wisconsin

Audited Financial Statements

**For the Year Ended
June 30, 2023**

**Andrea & Orendorff LLP
10411 Corporate Drive, Suite 104
Pleasant Prairie, WI 53158
(262) 657-7716**

United Migrant Opportunity Services/UMOS INC.

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10411 Corporate Drive
Suite 104
Pleasant Prairie, WI 53158
PHONE 262.657.7716
www.aocpa.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Migrant Opportunity Services/UMOS INC.
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of United Migrant Opportunity Services/UMOS INC. ("UMOS", a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UMOS as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 UMOS 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 opinions.

Emphasis of Matter

As discussed in Note A to the financial statements, in 2023, UMOS adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UMOS'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 UMOS'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 the Settlement of DHS Cost Reimbursement Award is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal, state, and local awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of the Settlement of DHS Cost Reimbursement Award and schedule of expenditures of federal, state, and local awards 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 December 21, 2023, on our consideration of UMOS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of UMOS'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 UMOS's internal control over financial reporting and compliance.

Andrea & Orendorff LLP

Andrea & Orendorff LLP

Pleasant Prairie, Wisconsin

December 21, 2023

United Migrant Opportunity Services/UMOS INC.

Statement of Financial Position

As of June 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 4,228,947
Investments in Marketable Securities	1,754,446
Accounts Receivable	155,493
Grants Receivable	4,396,503
Prepaid Expenses and Other Current Assets	227,038
Restricted Cash	6,271,400
Total Current Assets	<u>17,033,827</u>

Noncurrent Assets

Property and Equipment, Net	15,976,539
Right-of-Use ROU Asset	1,485,274
Total Noncurrent Assets	<u>17,461,813</u>

Total Assets

\$ 34,495,640

LIABILITIES AND NET ASSETS

Current Liabilities

Notes Payable - Current Portion	\$ 54,265
Accounts Payable and Other Liabilities	1,076,232
Accrued Payroll and Related Expenses	2,154,662
Operating Lease Liability - Current	654,043
Unearned Revenue	5,092,795
Total Current Liabilities	<u>9,031,997</u>

Long Term Liabilities

UMOS 457 Executive Plan Payable	923,969
Long Term Notes Payable	651,149
Operating Lease Liability - Long Term	835,821
Total Long Term Liabilities	<u>2,410,939</u>

Total Liabilities

11,442,936

Net Assets

Without Donor Restrictions - Undesignated	23,052,704
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Total Net Assets

23,052,704

Total Liabilities and Net Assets

\$ 34,495,640

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

United Migrant Opportunity Services/UMOS INC.

Statement of Activities

For the Year Ended June 30, 2023

Revenues

Grants and Contracts	\$	71,427,756
Program Income		69,211
Rental Income		709,305
Investment		141,286
Other Income		1,191,780
Total Revenues		<u>73,539,338</u>

Expenses

Program Services

Employment & Training	12,259,570
Child Education	40,547,377
AIDS Programs	63,396
Homeless/Shelter/Food Programs	8,218,063
Community Based Programs	3,857,005
Housing Expenses	534,227

Supporting Services

Supporting Services	6,481,224
Corporate Expenses	1,216,245

Total Expenses

73,177,107

Change in Net Assets Before Accrued Vacation, and Federal Capital Additions

362,231

Federal Capital Additions and Accrued Vacation

1,078,372

Change in Net Assets Before Federal Depreciation and Lease Expense

1,440,603

Federal Depreciation 960,530

Operating Lease Expense 4,590

Total Federal Depreciation and Lease Expense 965,120

Increase/(Decrease) in Net Assets 475,483

Net Assets Without Donor Restrictions, June 30, 2022 22,577,221

Net Assets Without Donor Restrictions, June 30, 2023 \$ 23,052,704

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

United Migrant Opportunity Services/UMOS INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

EXPENSES	Program Services						Supporting Services				Total Expenses
	Employment and Training	Child Education	Aids Programs	Homeless/ Shelter/ Food Prog.	Community Based Programs	Total Program Services	Supporting Services	Non-Federal	Total Supporting Services		
Salary Expense	\$ 5,132,460	\$ 22,488,674	\$ 39,266	\$ 690,267	\$ 1,451,214	\$ 39,687	\$ 29,841,568	\$ 3,228,797	\$ 351,591	\$ 3,580,388	\$ 33,421,956
Benefits	1,161,136	6,567,081	10,535	205,422	405,596	12,862	8,362,632	984,967	19,257	1,004,224	9,366,856
Information Technology	274,293	1,334,271	1,042	66,388	106,470	262	1,782,726	128,727	6,413	135,140	1,917,866
Equipment	-	728,480	-	2,696	-	229	731,405	-	4,842	4,842	736,247
Supplies	328,194	1,645,789	3,356	42,252	117,005	24,540	2,161,136	155,226	71,372	226,598	2,387,734
Training & Travel	233,833	935,323	1,141	95,841	35,459	24,648	1,326,245	190,392	145	190,537	1,516,782
Space & Related Costs	891,320	3,753,993	3,158	109,734	326,890	383,763	5,468,858	487,489	345,933	833,422	6,302,280
Participant Costs	3,228,550	2,383,212	3,078	6,703,599	1,222,662	-	13,541,101	1,054	4,374	5,428	13,546,529
Subcontracts	382,844	363,769	-	199,260	98,936	-	1,044,809	-	-	-	1,044,809
Purchased Services	532,625	225,767	2,458	97,276	84,154	1,128	943,408	1,046,151	122,395	1,168,546	2,111,954
Misc Expense	94,315	93,565	-	7,070	37,036	47,108	279,094	258,421	40,450	298,871	577,965
Other Parent Services	-	27,453	-	1,980	-	-	29,433	-	-	-	29,433
Non Federal Expenses	-	-	-	-	-	-	-	-	216,696	216,696	216,696
Other Non Federal Expenses	-	-	(638)	(3,722)	(28,417)	-	(32,777)	-	32,777	32,777	-
TOTAL EXPENSES	\$ 12,259,570	\$ 40,547,377	\$ 63,396	\$ 8,218,063	\$ 3,857,005	\$ 534,227	\$ 65,479,638	\$ 6,481,224	\$ 1,216,245	\$ 7,697,469	\$ 73,177,107

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

United Migrant Opportunity Services/UMOS INC.

Statement of Cash Flows

For the Year Ended June 30, 2023

Cash Flows from Operating Activities

Change in Net Assets \$ 475,483

Adjustments to reconcile change in net assets to cash provided/(used) by operating activities:

Depreciation 1,397,224
Unrealized Net Gain in Market Value of Marketable Securities Investments (141,286)
Gain on Sale of Fixed Assets (350)
Federal Assets Purchased (902,258)

Changes in Current Assets and Liabilities:

Increase in Accounts Receivable (71,351)
Increase in Grants Receivable (331,262)
Increase in Prepaid Expenses and Other Current Assets (22,730)
Increase in Accounts Payable and Other Liabilities 296,693
Increase in Accrued Payroll and Related Expenses 287,799
Increase in Unearned Revenue 4,502,455
Increase in Operating Lease Liability 4,590

Net Cash Provided/(Used) by Operating Activities 5,495,007

Cash Flows from Investing Activities

Acquisition of Property & Equipment, NET of Federal Assets Purchased (276,953)
Proceeds from Sale of Assets 350
Increase in Long Term Liability - UMOS 457 Executive Plan 96,267
Reinvested dividends and interest 5,996

Net Cash Provided/(Used) by Investing Activities (174,340)

Cash Flows from Financing Activity

Payment on Notes Payable (54,714)

Net Cash Provided/(Used) by Financing Activity (54,714)

Net Increase/(Decrease) in Cash and Cash Equivalents

5,265,953

Cash and Cash Equivalents -

Restricted and Unrestricted, June 30, 2022 5,234,394

Cash and Cash Equivalents -

Restricted and Unrestricted, June 30, 2023 \$ 10,500,347

Supplemental Schedule of Other Operating Activities

Interest Paid \$ 6,690

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

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Migrant Opportunity Services/UMOS INC. (UMOS) was organized as a nonprofit corporation in 1965. The organization was formed to develop and provide resources for the purpose of assisting farm workers, Hispanic, and low-income families through a variety of programs. The organization also owns five low-income housing projects, Aurora Housing Center, Montello Housing Center, Claremont Housing Center, Jefferson Apartments, and Beaver Dam Apartments, which have been included in these statements. The organization is primarily supported through federal and state government grants.

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents consist of cash and money market funds, with an original maturity of three months or less when purchased.

Liquidity and Availability of Resources

UMOS has \$10,535,389 of financial assets available within one year of June 30, 2023 to meet its cash needs for general expenditures, liabilities and other obligations as they become due. The cash and cash equivalents and investments in marketable securities are held in liquid accounts and are available as part of its liquidity management to ensure funds availability. The accounts and grants receivable accounts are expected to be collected within one year.

UMOS' financial assets available within one year of June 30, 2023 for general expenditures are as follows:

Cash and Cash Equivalents	\$ 4,228,947
Investments in Marketable Securities	1,754,446
Accounts Receivable	155,493
Grants Receivable	<u>4,396,503</u>
Total	<u>\$ 10,535,389</u>

As more fully described in Note E, UMOS has a \$500,000 Line of Credit available to use to meet current operating expenditures which it can draw upon in the event of unanticipated liquidity need. At June 30, 2023, its balance was \$0.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Marketable Securities

Investments in marketable securities include cash and cash equivalents, mutual funds, and fixed income investments shown on the Statement of Financial Position at market value. The primary objectives of UMOS investment activities are to preserve and protect investment principal that will provide sufficient liquidity to meet disbursement requirements which might reasonably be anticipated and to manage the investment portfolio to maximize return consistent with the above objectives and other risk limitations as determined by management.

Receivables

Grants receivable consists primarily of amounts due from various federal, state, and local funding sources with most grants receivable due from federal agencies and the state of Wisconsin. Accounts receivable consists of tenant rents and USDA receivables related to the housing centers, receivables from companies related to earned revenue from the Transitional Jobs grants, and other miscellaneous receivables from corporate tenants. An allowance for uncollectible receivables has not been recorded as they are deemed to be fully collectible. Receivables with uncertainty regarding full payment will be reviewed and an allowance will be established for the amount determined to be uncollectible.

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.

Property and Equipment, Net

For financial statement purposes, the cost of property and equipment with a unit cost of \$5,000 or more is recorded as an asset and is depreciated over its estimated useful life using the straight-line method. The cost of property and equipment with a unit cost of \$5,000 or more purchased with grant funds and expensed to the grants is added back in total to unrestricted net assets while the related depreciation calculated in accordance with generally accepted accounting principles is deducted from unrestricted net assets.

Federal depreciation expense for assets purchased with grant funds was \$960,530. Depreciation expense for assets purchased with non-grant funds was \$475,412 for total depreciation of \$1,435,942.

The accounting policies of UMOS are in accordance with the terms of grant agreements and funding sources' prescribed cost principles with respect to property and equipment. The property and equipment acquired with grant funds is owned by UMOS 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 property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

UMOS is a private nonprofit corporation generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also generally exempt from the franchise or income tax on state taxable incomes.

Indirect Cost Rates

UMOS does not elect to use the 10% de minimus cost rate. UMOS has a federally negotiated indirect cost rate that was approved with a four- year extension. A provisional rate is in effective as of July 1, 2021 and extends through June 30, 2024.

Advertising

UMOS' policy is to expense advertising costs as incurred. Advertising costs of \$120,149 were incurred and expensed in the fiscal year.

Basis of Presentation

Under generally accepted accounting principles, UMOS is required to report information regarding the financial position and activities according to two classes of net assets, defined as follows:

- Without donor restriction, with further classification as either Undesignated, which are net assets that are not subject to donor restriction; or Designated by the Governing Board, which are net assets subject to Governing Board restrictions. UMOS does not have any Governing Board designated net assets.
- With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of UMOS and/or the passage of time. UMOS has none at this time.

Operating Lease Right-of-Use Assets and Liabilities

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) to increase transparency regarding lease arrangements. The standard will require lessees to record a right-of-use (ROU) asset and a corresponding lease liability on its Statement of Financial Position. Amounts in the Statement of Activities are largely unaffected by the new standard.

UMOS elected to adopt these ASUs effective July 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on UMOS's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required UMOS to restate amounts as of July 1, 2022, resulting in an increase in operating lease ROU assets of \$2,137,382 and an increase current operating lease liabilities of \$654,043 and long-term liabilities of \$835,821.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Lease Right-of-Use Assets and Liabilities (continued)

UMOS adopted FASB Topic 842, Leases, using the modified retrospective approach with July 1, 2022 as the date of initial adoption. UMOS elected the transitional package of three practical expedients listed in ASC 842-10-65-1(f); permitted under the transition guidance within the new standard, which among other things, allowed UMOS to carry forward the historical lease classification. In addition, UMOS elected the practical expedient to use hindsight in determining the lease term and assessing impairment on right-of-use assets. UMOS has elected to use the weighted average remaining lease term and weighted average discount rate for capitalized operating leases.

As a result of adopting the new standards effective July 1, 2022 UMOS recorded additional net lease assets and lease liabilities of approximately \$1,485,274 and \$1,489,864, respectively. The difference between the lease assets and lease liabilities was recorded as an approximate \$4,590 reduction to beginning net assets without donor restrictions. Adoption of the new standard did not materially impact UMOS's change in net assets and had no impact on cash flows.

The following details the Statement of Financial Position line items effected as of June 30, 2023: standard.

	As Reported Under 840	As Reported Under 842	Effect of Change
Current Assets			
Cash and Cash Equivalents	\$ 4,228,947	\$ 4,228,947	\$ -
Investments in Marketable Securities	1,754,446	1,754,446	-
Accounts Receivable	155,493	155,493	-
Grants Receivable	4,396,503	4,396,503	-
Prepaid Expenses and Other Current Assets	227,038	227,038	-
Restricted Cash	6,271,400	6,271,400	-
Total Current Assets	<u>17,033,827</u>	<u>17,033,827</u>	<u>-</u>
Property and Equipment, Net	15,976,539	15,976,539	-
Operating Lease Assets	-	1,485,274	1,485,274
Total Property, Equipment, and ROU Ass	<u>15,976,539</u>	<u>17,461,813</u>	<u>1,485,274</u>
Total Assets	<u>\$ 33,010,366</u>	<u>\$ 34,495,640</u>	<u>\$ 1,485,274</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Notes Payable - Current Portion	\$ 54,265	\$ 54,265	\$ -
Accounts Payable and Other Liabilities	1,076,232	1,076,232	-
Accrued Payroll and Related Expenses	2,154,662	2,154,662	-
Operating Lease Liability - Current	-	654,043	654,043
Unearned Revenue	5,092,795	5,092,795	-
Total Current Liabilities	<u>8,377,954</u>	<u>9,031,997</u>	<u>654,043</u>
UMOS 457 Executive Plan Payable	923,969	923,969	-
Long Term Notes Payable	651,149	651,149	-
Operating Lease Long Term Liability	-	835,821	835,821
Total Long Term Liabilities	<u>1,575,118</u>	<u>2,410,939</u>	<u>835,821</u>
Total Liabilities	<u>9,953,073</u>	<u>11,442,936</u>	<u>1,489,864</u>
Net Assets			
Without donor restriction - undesignated	<u>23,057,293</u>	<u>23,052,704</u>	<u>(4,590)</u>
Total Net Assets	<u>23,057,293</u>	<u>23,052,704</u>	<u>(4,590)</u>
Total Liabilities and Net Assets	<u>\$ 33,010,366</u>	<u>\$ 34,495,640</u>	<u>\$ 1,485,274</u>

See Note G for further information.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue & Revenue Recognition

Contributions and Grants

UMOS accounts for contributions and grants under Accounting Standards Codification (ASC) No. 605 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605). Revenue is recognized for contributions or grants when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met.

A significant portion of UMOS's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when UMOS has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. UMOS received cost-reimbursable grants of \$5,092,795 that have not been recognized at June 30, 2023 because qualifying expenditures have not yet been incurred, with advance payments of \$5,092,795 recognized in the Statement of Financial Position as unearned revenue.

Contract Revenues

UMOS recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Accordingly, revenue is recognized when control of the goods or services promised under a contract are transferred to the customer in an amount that reflects the consideration to which UMOS expects to be entitled in exchange for the goods or services.

Program Income

Program income is derived from providing a variety of services to UMOS's program participants for a set fee. Consideration for these services is the set fee and is payable upon performance of the service. Revenue is recognized at the time of service; therefore, no contract payables, receivables, or deferrals exist related to program income.

Contracts with Funding Agencies

From time to time, UMOS enters contracts under which it earns a set fee for providing services over a defined period of time. In those instances, the contract is identified when UMOS has an approved contract, each party's rights have been identified, payment terms have been identified, the contract has commercial substance, and it is probable that UMOS will collect substantially all the consideration to which it is entitled. Revenue is recognized ratably each month as UMOS performs the agreed-to services over the length of the contract.

See Note L to the financial statements for additional information related to UMOS's revenue recognition policies and balances.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE B – RESTRICTED CASH

UMOS' restricted cash accounts are as follows:

Howard G Buffet Foundation	\$ 4,969,289
Housing Centers' Reserve Cash Accounts	378,142
UMOS' 457 Executive Plan	<u>923,969</u>
Total Restricted Cash	<u>\$ 6,271,400</u>

UMOS received an advance payment from the Howard G. Buffett Foundation under a conditional promise to give. Since UMOS has not yet expended the funds, it has not met the criteria to recognize revenue from this award as of June 30, 2023. The unexpended cash balance is reported as restricted, with a corresponding unearned revenue liability in the amount of \$4,969,289 reported on the Statement of Financial Position.

The U.S. Department of Agriculture notes payable provisions require UMOS to maintain reserve accounts until the balance reaches \$403,420. At June 30, 2023, its balance was \$378,142. The U.S. Department of Agriculture must consent and approve the use of these funds.

UMOS has an asset and corresponding liability related to its 457 Executive Plan with both having a balance of \$923,969. Refer to Note I for further information.

NOTE C – INVESTMENTS

UMOS has implemented the accounting standard regarding fair value measurements. The standard defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1

Fair values are based on quoted prices (unadjusted) in active markets for identical assets that the plan has the ability to access at the measurement date (e.g. prices derived from NYSE, NASDAQ or Chicago Board of Trade).

Level 2

Fair values are based on inputs other than quoted price included in level 1 that are observable for valuing the asset or liability, either directly or indirectly (i.e. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs include quoted price for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

Level 3

Fair values are based on unobservable inputs for valuing the asset or liability. Unobservable inputs are those that reflect the plan's own assumptions about the assumptions that market participant would use in pricing the asset, based on the best information available in the circumstances. An example could be real estate valuations, which require significant judgment.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements June 30, 2023

NOTE C – INVESTMENTS (continued)

At June 30, 2023, UMOS' investments are reported at fair value and using the following hierarchy:

	Fair Value	Fair Value Measurements at Reporting		
		Level 1	Level 2	Level 3
Multal Funds	\$ 1,754,446	\$ 1,754,446	\$ -	\$ -
Total	<u>\$ 1,754,446</u>	<u>\$ 1,754,446</u>	<u>\$ -</u>	<u>\$ -</u>

Marketable Securities Investments

Mutual Funds	<u>\$ 1,754,446</u>
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Total Marketable Securities Investments	<u>\$ 1,754,446</u>
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Net unrealized gain on these investments for the year ending June 30, 2023, was \$141,286. Interest income on restricted cash funds and cash and cash equivalents as of June 30, 2023, was \$22,643. Investment administrative fees are \$2,102.

NOTE D – PROPERTY AND EQUIPMENT, NET

A summary of property and equipment as of June 30, 2023 is as follows. Federal fixed assets have a reversionary interest of \$17,083,830 less accumulated depreciation for a net value of \$10,233,137. These federal fixed assets are only used in the programs that funded them. Once the program no longer exists, UMOS will contact the funding source for directions on disposal.

	Non-Federal	Federal	Total
Fixed Assets			
Construction in Progress	\$ 315,673	\$ 103,704	\$ 419,376
Land and Land Improvements	1,849,237	878,398	2,727,635
Buildings and Building Improvements	11,346,334	11,002,884	22,349,219
Equipment and Vehicles	331,544	5,098,844	5,430,388
Total Fixed Assets	<u>13,842,788</u>	<u>17,083,830</u>	<u>30,926,618</u>
Less: Accumulated Depreciation	<u>(8,099,386)</u>	<u>(6,850,693)</u>	<u>(14,950,079)</u>
Net Property and Equipment	<u>\$ 5,743,402</u>	<u>\$ 10,233,137</u>	<u>\$ 15,976,539</u>

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE E – NOTES PAYABLE

Notes Payable – The available bank line of credit at June 30, 2023 is \$500,000 bearing an interest rate using the one-month term SOFR rate plus spread of 2.0%. The line of credit balance was \$0 at June 30, 2023.

The amount of interest paid on the debt for the year ending June 30, 2023 was \$6,690.

Long-term notes payable at June 30, 2023 consist of the following:

Note payable to U.S. Department of Agriculture due in annual payments of \$13,249, including interest of 1%, with unpaid principal and interest due November 2031. The note is collateralized by the Aurora Housing Center. \$ 78,087

Note payable to U.S. Department of Agriculture due in annual payments of \$7,156, including interest of 1%, with all unpaid principal and interest due April 2030. The note is collateralized by the Montello Housing Center. 35,836

Note payable to U.S. Department of Agriculture due in annual payments of \$13,103, including interest of 1%, with all unpaid principal and interest due July 2031. The note is collateralized by the Beaver Dam and Jefferson apartments. 80,911

Note payable to U.S. Department of Agriculture due in annual payments of \$11,637, including interest of 1%, with all unpaid principal and interest due June 2035. The note is collateralized by the Claremont Housing Center. 122,032

Promissory note to U.S. Department of Agriculture for the Jefferson Apartments acquired October 18, 2006. Interest rate is 1% with final payment due October 31, 2039. The note is collateralized by the Beaver Dam and Jefferson apartments. 213,548

Note payable to Minnesota Housing Finance Agency (MHFA) due in full on October 17, 2033 at 0% interest. The note is collateralized by the Claremont Housing project. 175,000

Housing Notes Payable **\$ 705,414**

Total Long Term-Notes Payable **\$ 705,414**

Less Current Portion 54,265

LONG-TERM NOTES PAYABLE **\$ 651,149**

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE E – NOTES PAYABLE (continued)

Principal payments due by year are as follows:

2024	\$	54,265
2025		54,801
2026		55,351
2027		55,908
2028		56,349
2029-2040		<u>428,740</u>
Totals	\$	<u>705,414</u>

NOTE F – CONCENTRATION OF CREDIT RISK

UMOS maintains cash balances and money market accounts in a brokerage account and more than one bank. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances in excess of FDIC coverage are not collaterally secured. Cash balances in excess of FDIC coverage are \$9,751,004 at June 30, 2023.

NOTE G – OPERATING LEASES

UMOS assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Position.

UMOS leases various facilities and equipment for operation of its programs. The lease have remaining lease terms of one to eight years, including options to extend or terminate leases.

Amounts reported in the accompanying financial statements related to these lease agreements are as follows:

Operating Lease Right-of-Use Asset	\$1,485,274
Operating Lease Liability- Current	654,043
Operating Lease Liability – Long Term	835,821

The weighted average remaining lease term and discount rate as of June 30, 2023 are 2.671626% and 3.039725%, respectively.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE G – OPERATING LEASES (continued)

The maturities of lease liabilities as of June 30, 2023 are as follows:

Year Ending June 30,	
2024	\$ 684,620
2025	484,940
2026	299,494
2027	36,255
2028	16,154
Thereafter	<u>22,573</u>
Total lease payments	1,544,036
Less: present value discount	<u>(54,172)</u>
Present value of lease liabilities	<u>\$ 1,489,864</u>

Operating lease expense for the year ended June 30, 2023, is presented as follows in the accompanying financial statements:

Operating Lease Expense – Program	\$697,561
Operating Lease Expense – Supporting	
Federal Operating Lease Expense	<u>4,590</u>
Total Lease Expense	<u>\$ 702,151</u>

Cash flows related to operating leases for the year ended June 30, 2023, were as follows:

Cash paid for amounts included in the measurement of operating lease liabilities:	\$697,561
Lease assets obtained in exchange for operating lease obligations	\$2,137,382

NOTE H – RETIREMENT PLAN

UMOS has a defined contribution retirement plan authorized under IRS section 401(k) which covers substantially all regular and seasonal employees who have been employed by the organization for one year, work a minimum of 500 hours, and are at least 18 years of age. There are two elements to the plan consisting of employer and employee contributions. Both types of contributions vest immediately. Employee contributions are optional.

Effective January 1, 2009, the 401(k) retirement plan became a Safe Harbor 401(k) plan, whereas UMOS commits to making certain contributions. This commitment to make contributions enables UMOS to simplify the administration of the plan by ensuring that non-discrimination regulations are met. In order to maintain the “Safe Harbor” status, UMOS will make a contribution equal to 3% of eligible employees’ compensation. In addition, UMOS may also make an additional 2% contribution of the eligible employees’ compensation. UMOS made contributions of \$1,195,874 and incurred plan expenses of \$9,000 for the year ended June 30, 2023.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE I - EXECUTIVE ADMINISTRATIVE STAFF BENEFIT PLAN

The UMOS Executive Plan was established by the UMOS Board for the benefit of members of its executive administrative staff. The UMOS CEO/President has the authority to update the list of eligible executive administrative staff. The plan provides for the following benefits:

- An additional 2% pension contribution on employee earnings that exceed 92% of the maximum Social Security wage base through December 31, 2023.
- 4% of annual employee earnings to be used for long-term care insurance, long-term disability insurance, life insurance, and/or contributions to the Section 125 Flex Benefit Plan, 457 Plan and Health Savings Account.
- At June 30, 2023, the 457 Plan balance was \$923,969, of which UMOS contributed \$61,235 during the fiscal year. This balance is classified as restricted cash, also refer to Note B.

NOTE J – CONCENTRATION OF RISK

UMOS receives grants from various Federal, State, and Local agencies whose programs rely on the availability of funding from the Federal, State, and Local governments. Approximately 90% of grant and housing revenues are from Federal government agencies.

NOTE K – CONTINGENCIES AND UNCERTAINTIES

Contingent Receivable / Payable

Various UMOS grants are subject to monitoring by the grantor upon termination of the grant. UMOS does not record potential or uncertain revenues or liabilities in its financial statements that may result from grantor's monitoring until the amounts are known, at which time they are recorded in the current year. There were no revenues or unallowed expenditures related to grantor monitoring during 2023.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements June 30, 2023

NOTE L – REVENUE

As described in Note A, UMOS generates revenues from program services and from contracts with funding customers. The following tables provide additional detail related to revenue recognized from these activities during the year ended June 30, 2023:

Disaggregation of Revenue

The table below presents net sales disaggregated by timing of revenue recognition and source:

	Program Revenue	State and Federal Contracts
Revenue recognized for services transferred at a point in time	\$ 69,211	\$ -
Revenue recognized for services transferred over time	-	-
	<u>\$ 69,211</u>	<u>\$ -</u>

Opening and Closing Balances of Receivables, Contract Liabilities, and Deferrals

There were no contracts receivable, payable, or deferrals as of July 1, 2022 or as of June 30, 2023.

Practical Expedients

UMOS has elected to apply the following practical expedients when determining revenue from contracts and capitalization of related costs:

- UMOS has elected to not adjust revenue for the effects of a significant finance component when the timing difference between receipt of payment and recognition of revenue is less than one year.
- UMOS has elected to expense incremental costs to obtain a contract when the amortization period of the related asset is expected to be less than one year.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements June 30, 2023

NOTE M – CHANGES IN NET ASSETS

To comply with generally accepted accounting principles, UMOS records in its financial records the cost, less accumulated depreciation of property and equipment which was purchased with grant funds. In addition, the accrued vacation pay due employees is reflected in net assets and current liabilities. Specifically, by fund, center, or apartments, the following summary of changes to net assets without donor restrictions and undesignated, is comprised of:

	UMOS Grant Operating Fund	UMOS Non- Federal Fund	Aurora Housing Center	Montello Housing Center	Beaver Dam Apartments	Claremont Housing Center	Jefferson Apartments	Total
Net Assets June 30, 2022	\$ -	\$ 21,124,231	\$ 532,590	\$ 69,906	\$ 292,058	\$ 304,892	\$ 253,545	\$ 22,577,221
Change in Net Assets Before Accrued Vacation, Federal Asset Purchased and Federal Depreciation	(53,053)	693,959	26,460	2,754	15,174	13,703	15,462	714,459
Change in vacation accrual during fiscal 2023	-	(176,114)	-	-	-	-	-	(176,114)
Net Federal Asset Purchased and or Disposed	-	873,812	28,446	-	-	-	-	902,258
Depreciation of property and equipment purchased with grant funds	-	(887,333)	(24,636)	(1,181)	(10,387)	(9,625)	(31,958)	(965,120)
Transfer to UMOS Non-Federal Fund	53,053	(53,053)	-	-	-	-	-	-
Net Assets June 30, 2023	\$ -	\$ 21,575,502	\$ 562,860	\$ 71,479	\$ 296,845	\$ 308,970	\$ 237,049	\$ 23,052,704

NOTE N – EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Wherever possible, costs are assigned to the grants that benefit directly from the grant expenditures. Certain costs, such as occupancy and common office expenses, are recorded in cost pools for monthly assignment to activities that benefit in common from the expenditures. Those allocations are based on full-time equivalent employees.

Indirect administrative cost is applied using its federally approved rate.

United Migrant Opportunity Services/UMOS INC.

Notes to Financial Statements

June 30, 2023

NOTE O – LESSOR REVENUE

UMOS leases to various tenants approximately 30 percent of its company-owned and occupied headquarters. The lease terms range from two to five years, with renewal options, and specified annual increases over the lives of the individual leases.

Rent revenues will be recognized over the subsequent years ending June 30 as follows:

2024	\$	278,495
2025		171,882
2026		22,442
	\$	<u>472,819</u>

NOTE P – IN-KIND CONTRIBUTIONS

Certain in-kind contributions are not recorded in the Statement of Activities because they do not meet the definition of professional services as defined according to accounting standards. The value of in-kind contributed services not recognized in the financial statements totaled \$3,001,942 for the year ended June 30, 2023. This is primarily related to Head Start and consists of volunteer services totaling \$2,277,350. The Latina Resource Center also records in-kind for volunteer services for a small number of programs totaling \$91,326. Lastly, our H-1B One Workforce grant also requires leverage resource totaling \$633,266.

NOTE Q - RECENTLY ISSUED ACCOUNTING STANDARD

Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

The Organization is assessing the impact this standard will have on its financial statements.

NOTE R– SUBSEQUENT EVENTS

UMOS has evaluated subsequent events through December 21, 2023, the date the financial statements were available to be issued.

Management is not aware of any other subsequent events which would require recognition or disclosure in the financial statements.

United Migrant Opportunity Services/UMOS, Inc.
Schedule of Expenditures of Federal, State, and Local Awards
For the Year Ended June 30, 2023

Grantor Agency/ Pass-Through Agency/ Program Title	Federal Assistance Listing	Contract Period	Passed Through Agency	Passed Through Agency ID	Passed Through to Subrecipient	Expenditures
U.S Department of Agriculture						
Pandemic Relief Activities: Farm and Food Worker Relief Grant Program (Major Program)						
COVID-19: FARM AND FOOD WORKERS RELIEF PROGRAM	10.181	10/04/2022 10/04/2024	US Dept Agriculture	N/A	\$ 199,260	\$ 8,291,651
Total 10.181					199,260	8,291,651
Child and Adult Care Food Pogram						
CACFP	10.558	10/01/2022 09/30/2023	DPI	70-6817		41,235
CACFP	10.558	10/01/2021 09/30/2022	DPI	70-6817		14,802
CACFP	10.558	10/01/2022 09/30/2023	TDA	06885		685,522
Total 10.558						741,559
Summer Food Service Program for Children						
SFSP	10.559	07/01/2022 06/30/2023	DPI	70-6817		1,831
Total 10.559						1,831
Rural Rental Assistance Payments						
AURORA HOUSING ASSISTANCE	10.427	07/01/2022 06/30/2023	US Dept Agriculture	N/A		160,241
MONTELLO HOUSING ASSISTANCE	10.427	07/01/2022 06/30/2023	US Dept Agriculture	N/A		55,885
BEAVER DAM HOUSING ASSISTANCE	10.427	07/01/2022 06/30/2023	US Dept Agriculture	N/A		44,612
CLAREMONT HOUSING ASSISTANCE	10.427	07/01/2022 06/30/2023	US Dept Agriculture	N/A		104,648
JEFFERSON HOUSING ASSISTANCE	10.427	07/01/2022 06/30/2023	US Dept Agriculture	N/A		18,811
Total 10.427						384,197
Farm Labor Housing Loans and Grants						
AURORA HOUSING LOAN BALANCE	10.405	07/01/2022 06/30/2023	US Dept Agriculture	N/A		90,473
MONTELLO HOUSING LOAN BALANCE	10.405	07/01/2022 06/30/2023	US Dept Agriculture	N/A		42,656
BEAVER DAM HOUSING LOAN BALANCE	10.405	07/01/2022 06/30/2023	US Dept Agriculture	N/A		93,139
CLAREMONT HOUSING LOAN BALANCE	10.405	07/01/2022 06/30/2023	US Dept Agriculture	N/A		133,337
JEFFERSON HOUSING LOAN BALANCE	10.405	07/01/2022 06/30/2023	US Dept Agriculture	N/A		225,524
Total 10.405						585,129
Total U.S Department of Agriculture					199,260	10,004,367
U.S Department of Justice						
Culturally and Linguistically Specific Services Program						
US DOJ OVW CLSSP PROJECT BUTTERFLY	16.016	10/01/2018 09/30/2023	US Dept Justice	2018-UW-AX-0012		32,252
Total 16.016						32,252
Services for Trafficking Victims						
WI HUMAN TRAFFICKING	16.320	01/01/2020 12/31/2022	US Dept Justice	2019-VT-BX-0102	8,661	124,567
WI HUMAN TRAFFICKING	16.320	01/01/2022 09/30/2023	US Dept Justice	15POVC-22-GG-03745-HT	-	88,754
Total 16.320					8,661	213,321
Legal Assistance for Victims						
LEGAL ASSISTANCE FOR VICTIMS	16.524	10/01/2018 09/30/2022	US Dept Justice	2018-WL-AX-0008	72,455	87,335
Total 16.524					72,455	87,335
Crime Victim Assistance						
VOCA	16.575	10/01/2021 09/30/2022	WI Dept Justice	2019-VO-01-16800		93,668
VOCA	16.575	10/01/2022 09/30/2023	WI Dept Justice	2020/2021-VO/VO-A-01-17357		280,590
Total 16.575						374,258

See accompanying notes to the Schedule of Expenditures of Federal, State, and Local Awards.

United Migrant Opportunity Services/UMOS, Inc.
Schedule of Expenditures of Federal, State, and Local Awards
For the Year Ended June 30, 2023

Grantor Agency/ Pass-Through Agency/ Program Title	Federal Assistance Listing	Contract Period	Passed Through Agency	Passed Through Agency ID	Passed Through to Subrecipient	Expenditures
U.S Department of Justice (continued)						
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault						
TRANSITIONAL HOUSING	16.736	10/01/2016 09/30/2022	US Dept Justice	2016-WH-AX-0041		36,031
TRANSITIONAL HOUSING	16.736	10/01/2022 09/30/2023	US Dept Justice	15JOVW-22-GG-03254-TRAN		167,009
Total 16.736						203,040
Comprehensive Opioid, Stimulant, and Other Substance Use Program						
COMPREHENSIVE OPIOID, STIMULANT, AND OTHER SUBSTANCE USE PROGRAM	16.838	07/01/2022 09/30/2022	City of West Allis	2018-AR-BX-K106		13,994
Total 16.838						13,994
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies						
SAFER COMMUNITIES FOR YOUTH PROJ	16.888	10/01/2020 09/30/2023	City Mil DOA	C1510VPUMOS22		3,699
Total 16.888						3,699
Total U.S Department of Justice					81,116	927,899
U.S Department of Labor						
Unemployment Insurance						
UNEMPLOYMENT INSURANCE	17.225	06/15/2022 06/14/2025	WI DWD	UI-38581-22-75-A-55		567,087
Total 17.225						567,087
National Farmworker Jobs Program						
WIOA FARM WORKER - WI	17.264	07/01/2021 09/30/2022	US Dept Labor	AC-36715-21-60-A-55		295,599
WIOA FARM WORKER - WI	17.264	07/01/2022 09/30/2023	US Dept Labor	AC-38157-22-60-A-55		750,764
WIOA FARM WORKER - MISSOURI	17.264	07/01/2021 09/30/2022	US Dept Labor	AC-36731-21-60-A-55		204,818
WIOA FARM WORKER - MISSOURI	17.264	07/01/2022 09/30/2023	US Dept Labor	AC-38118-22-60-A-55		903,733
WIOA FARM WORKER - IL	17.264	07/01/2021 09/30/2022	US Dept Labor	AC-36730-21-60-A-55		389,600
WIOA FARM WORKER - IL	17.264	07/01/2022 09/30/2023	US Dept Labor	AC-38127-22-60-A-55		1,728,201
MIGRANT SEASONAL FARMWORKER	17.264	07/01/2021 09/30/2022	US Dept Labor	MH-36417-21-60-A-55	17,820	118,393
MIGRANT SEASONAL FARMWORKER	17.264	07/01/2022 09/30/2023	US Dept Labor	MH-38153-22-60-A-55	17,105	277,389
Total 17.264					34,925	4,668,497
H-1B Job Training Grants (Major Program)						
US DOL H-1B WORKFORCE	17.268	02/01/2021 01/31/2025	US Dept Labor	HG-35911-21-60A-55		1,040,757
Total 17.268						1,040,757
Total U.S Department of Labor					34,925	6,276,341
U.S Department of Treasury						
COVID-19: Emergency Rental Assistance Program						
RENTAL ASSISTANCE	21.023	01/02/2021 09/30/2022	WI DOA	WERA 20-18		20,996
RENTAL ASSISTANCE	21.023	01/02/2021 09/30/2025	WI DOA	WERA 20-116		26,657
Total 21.023						47,653
Total U.S Department of Treasury						47,653

See accompanying notes to the Schedule of Expenditures of Federal, State, and Local Awards.

United Migrant Opportunity Services/UMOS, Inc.
Schedule of Expenditures of Federal, State, and Local Awards
For the Year Ended June 30, 2023

Grantor Agency/ Pass-Through Agency/ Program Title	Federal Assistance Listing	Contract Period	Passed Through Agency	Passed Through Agency ID	Passed Through to Subrecipient	Expenditures
U.S Department of Health and Human Services						
Immunization Cooperative Agreements						
VACCINES FOR CHILDREN	93.268	11/01/2021 10/31/2022	WI Dept Health	435100-G22-VACCINECO-48		8,757
Total 93.268						<u>8,757</u>
National and State Tobacco Control Program						
DHS JUUL SETTLEMENT TOBACCO PREVENTION	93.387	03/01/2023 12/31/2023	WI Dept Health	435100-G23-112615-390		31,884
Total 93.387						<u>31,884</u>
COVID-19: Activities to Support State, Tribal, Local, and Territorial Health Department Response to Public Health or Healthcare Crisis						
SUPPORTING DRUG USERS SYRINGE SERV.	93.391	06/01/2022 05/31/2023	WI Dept Health	N/A		71,057
Total 93.391						<u>71,057</u>
Temporary Assistance for Needy Families (Major Program)						
TRANSFORM MILWAUKEE	93.558	06/01/2022 12/31/2022	WI DCF	437004-G19-0001236-000-01	365,739	2,272,046
TRANSFORM MILWAUKEE	93.558	01/01/2023 05/31/2023	WI DCF	437004-G19-0001236-R01-01	300,792	1,625,021
TRANSFORM MILWAUKEE	93.558	06/01/2023 12/31/2023	WI DCF	437004-G19-0001236-R01-01	62,977	430,520
TRANSITIONAL JOBS KENOSHA	93.558	06/01/2022 06/30/2022	WI DCF	437004-G20-0001530-000-02	-	317
TRANSITIONAL JOBS KENOSHA	93.558	07/01/2022 05/31/2023	WI DCF	437004-G20-0001530-000-02	-	453,270
TRANSITIONAL JOBS KENOSHA	93.558	06/01/2023 06/30/2023	WI DCF	437004-G20-0001530-000-02	-	37,669
TRANSITIONAL JOBS URBAN BAY AREA	93.558	06/01/2022 06/30/2022	WI DCF	437004-G20-0001530-000-01	-	826
TRANSITIONAL JOBS URBAN BAY AREA	93.558	07/01/2022 05/31/2023	WI DCF	437004-G20-0001530-000-01	-	666,748
TRANSITIONAL JOBS URBAN BAY AREA	93.558	06/01/2023 06/30/2023	WI DCF	437004-G20-0001530-000-01	-	64,578
TRANSITIONAL JOBS URBAN BAY AREA	93.558	07/01/2023 05/31/2024	WI DCF	437004-G24-0002154-000-03	-	1,865
TRANSITIONAL JOBS NorthEast	93.558	07/01/2022 05/31/2023	WI DCF	437004-G16-0000742-R02-03	-	256,849
TRANSITIONAL JOBS NorthEast	93.558	06/01/2023 06/30/2023	WI DCF	437004-G16-0000742-R02-03	-	10,957
TRANSITIONAL JOBS SouthEast	93.558	06/01/2022 06/30/2022	WI DCF	437004-G16-0000742-R02-02	-	1,197
TRANSITIONAL JOBS SouthEast	93.558	07/01/2022 05/31/2023	WI DCF	437004-G16-0000742-R02-02	-	479,615
TRANSITIONAL JOBS SouthEast	93.558	06/01/2023 06/30/2023	WI DCF	437004-G16-0000742-R02-02	-	68,877
Total 93.558					729,508	6,370,355
Refugee and Entrant Assistance - State Administered Programs						
REFUGEE ASSISTANCE	93.566	01/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R03-06		1,190,658
Total 93.566						<u>1,190,658</u>
Low-Income Home Energy Assistance						
MILWAUKEE CO ENERGY ASSISTANCE	93.568	10/01/2022 09/30/2023	County of Milwaukee	1678		600,442
MILWAUKEE CO ENERGY ASSISTANCE	93.568	10/01/2021 09/30/2022	County of Milwaukee	40-222822-300		101,536
KENOSHA ENERGY ASSISTANCE	93.568	10/01/2021 09/30/2022	WI DOA	WHEAP 21.162		22,816
KENOSHA ENERGY ASSISTANCE	93.568	10/01/2022 09/30/2023	WI DOA	WHEAP 21.162		257,315
Total 93.568						<u>982,109</u>
Community Services Block Grant						
COVID-19: WDCF CCR CARES ACT	93.569	06/01/2020 09/30/2022	WI DCF	437004-G20-0001632-000-16		3,556
COMPREHENSIVE CRISIS RELIEF	93.569	01/01/2023 12/31/2023	WI DCF	437004-G23-0002147-000-16		157,013
COMPREHENSIVE CRISIS RELIEF	93.569	01/01/2022 12/31/2022	WI DCF	437004-G22-0001953-000-16		184,117
Total 93.569						<u>344,686</u>

See accompanying notes to the Schedule of Expenditures of Federal, State, and Local Awards.

United Migrant Opportunity Services/UMOS, Inc.
Schedule of Expenditures of Federal, State, and Local Awards
For the Year Ended June 30, 2023

Grantor Agency/ Pass-Through Agency/ Program Title	Federal Assistance Listing	Contract Period	Passed Through Agency	Passed Through Agency ID	Passed Through to Subrecipient	Expenditures
U.S Department of Health and Human Services (continued)						
Child Care and Development Block Grant Cluster						
W-2 CONTRACTED CHILD CARE	93.575	01/01/2022 12/31/2022	WI DCF	437001-M15-CFB0144-R03-06		180,224
W-2 CONTRACTED CHILD CARE	93.575	01/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R04-06		164,650
MIGRANT DAY CARE	93.575	01/01/2022 12/31/2022	WI DCF	437001-G21-0001681-000-01		318,344
MIGRANT DAY CARE	93.575	01/01/2023 12/31/2023	WI DCF	437001-G21-0001681-R01-01		132,593
Total 93.575						795,811
Refugee and Entrant Assistance - Wilson/Fish Program						
WI DCF REFUGEE AND ENTRANT ASSISTANCE	93.583	01/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R04-06		4,664
WI DCF REFUGEE AND ENTRANT ASSISTANCE	93.583	01/01/2022 12/31/2022	WI DCF	437001-M15-CFB0144-R03-06		4,307
Total 93.583						8,971
Services to Victims of a Severe Form of Trafficking						
USCRI TVAP	93.598	09/30/2018 09/28/2022	US COM. FOR REFUGEES	90ZV0135-01-00		16,149
Total 93.598						16,149
Head Start Cluster (Major Program)						
MIGRANT HEAD START UMOS I	93.600	04/01/2022 03/31/2023	US DHSS	90CM009831-04-02	1,336	2,772,039
MIGRANT HEAD START UMOS I CARRYOVER	93.600	04/01/2022 03/31/2023	US DHSS	90CM009831-04-03	-	127,956
MIGRANT HEAD START UMOS I	93.600	04/01/2023 03/31/2024	US DHSS	90CM009831-05-02	3,494	1,653,673
MIGRANT HEAD START UMOS II	93.600	04/01/2022 03/31/2023	US DHSS	90CM009824-05-02	-	2,157,192
MIGRANT HEAD START UMOS II CARRYOVER	93.600	04/01/2022 03/31/2023	US DHSS	90CM009824-05-03	-	815,507
HEAD START UMOS III MISSOURI & ARKANSAS CARRYOVER	93.600	04/01/2022 03/31/2023	US DHSS	90CM009835-03-00	-	86,398
HEAD START UMOS III MISSOURI & ARK.	93.600	04/01/2022 03/31/2023	US DHSS	90CM009835-04-02	6,160	1,498,638
HEAD START UMOS III MISSOURI & ARKANSAS CARRYOVER	93.600	04/01/2022 03/31/2023	US DHSS	90CM009835-04-03	-	86,315
HEAD START UMOS III MISSOURI & ARK.	93.600	04/01/2023 03/31/2024	US DHSS	90CM009835-05-01	-	458,801
HEAD START UMOS IV TEXAS	93.600	04/01/2021 03/31/2022	US DHSS	90CM009854-02-04	-	12
HEAD START UMOS IV TEXAS	93.600	04/01/2022 03/31/2023	US DHSS	90CM009854-03-02	17,196	20,842,110
HEAD START UMOS IV TEXAS	93.600	04/01/2022 03/31/2023	US DHSS	90CM009854-04-02	2,039	5,611,021
COVID-19: HEAD START COVID UMOS I - IV TEXAS	93.600	04/01/2021 03/31/2023	US DHSS	90HN000016-01-00	-	119,288
COVID-19: HEAD START UMOS IV COVID ARP	93.600	04/01/2021 03/31/2023	US DHSS	90HN000016-01-01	125	816,588
COVID-19: HEAD START UMOS I - IV COVID CARE	93.600	04/01/2021 03/31/2023	US DHSS	90HN000016-01-02	-	1,178,217
Total 93.600					30,350	38,223,755
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services						
DOMESTIC ABUSE	93.671	07/01/2023 06/30/2024	End Abuse	2023-24-104		976
DOMESTIC ABUSE	93.671	01/01/2023 06/30/2023	End Abuse	2022-23-104		83,604
DOM. ABUSE IMMIGRANT/REFUGEE	93.671	01/01/2023 12/31/2023	WI DCF	437003-G19-0001304-R04-07		3,080
DOM. ABUSE IMMIGRANT/REFUGEE	93.671	01/01/2022 12/31/2022	WI DCF	437003-G19-0001304-R03-07		4,203
Total 93.671						91,863
HIV Prevention Activities Health Department Based						
HIV PREVENTION TARGETED	93.940	01/01/2023 12/31/2023	WI Dept Health	435100-G23-112615-390		69,611
HIV PREVENTION TARGETED	93.940	01/01/2022 12/31/2022	WI Dept Health	435100-G22-112615-290		52,002
Total 93.940						121,613
Total U.S Department of Health and Human Services					759,858	48,257,668
Total Expenditures of Federal Awards					\$ 1,075,159	\$ 65,513,928

See accompanying notes to the Schedule of Expenditures of Federal, State, and Local Awards.

United Migrant Opportunity Services/UMOS, Inc.
Schedule of Expenditures of Federal, State, and Local Awards
For the Year Ended June 30, 2023

Grantor Agency/ Pass-Through Agency/ Program Title	Federal Assistance Listing	Contract Period	Passed Through Agency	Passed Through Agency ID	Passed Through to Subrecipient	Expenditures
State and Local Programs						
WDPI HEAD START-PLYMOUTH	N/A	07/01/2022 06/30/2023	WI DPI	State ID 255.327		\$ 75,392
W-2 SOUTHEASTERN REGION	N/A	06/01/2022 12/31/2022	WI DCF	437001-M15-CFB0144-R03-06	10,000	2,586,748
W-2 SOUTHEASTERN REGION	N/A	01/01/2023 05/31/2023	WI DCF	437001-M15-CFB0144-R04-06	5,000	2,057,041
W-2 SOUTHEASTERN REGION	N/A	06/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R04-06	5,000	503,499
EDUCATION NAVIGATOR W-2 PARTICIPANT	N/A	06/01/2022 12/31/2022	WI DCF	437001-M15-CFB0144-R03-06	-	28,847
EDUCATION NAVIGATOR W-2 PARTICIPANT	N/A	01/01/2023 05/30/2023	WI DCF	437001-M15-CFB0144-R03-06	-	33,333
EDUCATION NAVIGATOR W-2 PARTICIPANT	N/A	06/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R03-06	-	7,038
EDUCATION NAVIGATOR W-2 YOUTH	N/A	06/01/2022 12/31/2022	WI DCF	437001-M15-CFB0144-R03-06	-	43,575
EDUCATION NAVIGATOR W-2 YOUTH	N/A	01/01/2023 05/30/2023	WI DCF	437001-M15-CFB0144-R03-06	-	70,759
EDUCATION NAVIGATOR W-2 YOUTH	N/A	06/01/2023 12/31/2023	WI DCF	437001-M15-CFB0144-R03-06	-	158
ARC COM. SERV. HUMAN TRAFFICKING	N/A	03/01/2021 09/30/2023	ARC Comm. Serv.	N/A	-	76,980
EMERGENCY ASSISTANCE PAYMENTS	N/A	07/01/2022 06/30/2023	WI DCF	437001-M15-CFB0144-R03-06	-	246,029
W-2 TRIAL EMPLOYMENT MATCH DCF	N/A	06/01/2022 12/31/2023	WI DCF	437001-M15-CFB0144-R03-06	-	3,973
W-2 TRIAL EMPLOYMENT MATCH DCF	N/A	01/01/2023 05/31/2023	WI DCF	437001-M15-CFB0144-R03-06	-	4,669
ANTHEM TOBACCO PREVENTION	N/A	12/01/2022 11/30/2023	Anthem	N/A	-	11,812
DOM. ABUSE IMMIGRANT/REFUGEE	N/A	01/01/2022 12/31/2022	WI DCF	437003-G19-0001304-R03-07	-	37,829
DOM. ABUSE IMMIGRANT/REFUGEE	N/A	01/01/2023 12/31/2023	WI DCF	437003-G19-0001304-R04-07	-	27,718
WE ENERGIES LOW INCOME ENERGY PILOT	N/A	01/01/2022 12/31/2022	WE Energies	N/A	-	30,000
SEXUAL ASSULT SERVICES	N/A	01/01/2022 12/31/2022	WI Dept Justice	2022/2023-52100/SV-01-17029	-	23,963
SEXUAL ASSULT SERVICES	N/A	01/01/2023 12/31/2023	WI Dept Justice	2022/2023-52100/SV-01-17029	-	25,827
WIS TOBACCO CONTROL	N/A	07/01/2022 06/30/2023	Medical Coll. WI	435100-G21-148197-390	-	131,102
WIS TOBACCO CONTROL	N/A	07/01/2023 06/30/2024	Medical Coll. WI	435100-G21-148197-490	-	1,190
PRESBYTERY OF MILWAUKEE SAFE DATES	N/A	01/01/2020 08/31/2022	Presbytery	N/A	-	355
GREATER MIL. SA/DV ADVOCACY	N/A	11/01/2020 12/31/2022	Greater Mil. Foundation	N/A	-	21,135
DOMESTIC VIOLENCE UNDER SERVED	N/A	01/01/2022 12/31/2022	WI DCF	437003 G21 0001595 R01 10	-	39,876
DOMESTIC VIOLENCE UNDER SERVED	N/A	01/01/2023 12/31/2023	WI DCF	437003 G21 0001595 R02 10	-	52,798
DOMESTIC VIOLENCE CHILDRENS PROG	N/A	01/01/2022 12/31/2022	WI DCF	437003-G21-0001666-R01-46	-	13,498
DOMESTIC VIOLENCE CHILDRENS PROG	N/A	01/01/2023 12/31/2023	WI DCF	437003-G21-0001666-R02-46	-	14,993
UNITED WAY HEALTHY YOUTH	N/A	07/01/2022 06/30/2023	United Way	N/A	-	37,007
WISCONSIN LABOR TRAFFICKING PROJECT	N/A	07/01/2022 06/30/2026	Howard G. Buffett Foundation	N/A	-	152,705
MI ARCOS IRIS CHILDREN LATINA RESOURCE	N/A	01/01/2022 12/31/2022	WI DCF	437003-G17-0000889-R05-03	-	26,255
MI ARCOS IRIS CHILDREN LATINA RESOURCE	N/A	01/01/2023 12/31/2023	WI DCF	437003-G23-0002060-000-04	-	14,435
Total State and Local Programs					\$ 20,000	\$ 6,400,539
Total Expenditures of Federal, State, and Local Awards					\$ 1,095,159	\$ 71,914,467

See accompanying notes to the Schedule of Expenditures of Federal, State, and Local Awards.

United Migrant Opportunity Services/UMOS INC.

Notes to the Schedule of Expenditures of Federal, State and Local Awards June 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the Schedule) includes the award activity of UMOS under programs of the Federal, State and Local governments for the year ended June 30, 2023. 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 UMOS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of UMOS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are limited to reimbursement or grant stipulations.

NOTE 3 – PARTICIPANT DIRECT PAYMENTS

There were no direct payments made to W2 participant workers compensation by Wisconsin Department of Children and Families on behalf of UMOS for the year ended June 30, 2023.

NOTE 4 – INDIRECT COST RATE

UMOS uses its approved Federal Indirect Cost Rate. UMOS has an approved provisional indirect cost rate of 10% from our cognizant agency, the US Department of Health and Human Services (DHHS).

NOTE 5 – FEDERAL LOANS

UMOS was approved by the USDA Rural Development to receive loans for its housing developments totaling \$585,128. The amounts listed for these loans includes the proceeds used during the year and the outstanding loan balances from prior year. The current loan balances are also reported on UMOS' Statement of Financial Position – Liability section.

Balances as of June 30,	<u>2022</u>	<u>2023</u>
Aurora	\$ 90,473	\$ 78,087
Beaver Dam	93,139	80,911
Claremont	133,337	122,032
Jefferson	225,523	213,548
Montello	<u>42,656</u>	<u>35,836</u>
Total	<u>\$ 585,128</u>	<u>\$ 530,414</u>



10411 Corporate Drive
Suite 104
Pleasant Prairie, WI 53158
PHONE 262.657.7716
www.aocpa.net

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

To the Board of Directors of
United Migrant Opportunity Services/UMOS, INC.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United Migrant Opportunity Services/UMOS, INC. ("UMOS" a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UMOS'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 UMOS's internal control. Accordingly, we do not express an opinion on the effectiveness of UMOS'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. 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 UMOS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Andrea & Orendorff LLP

Andrea & Orendorff LLP

Pleasant Prairie, WI

December 21, 2023



10411 Corporate Drive
Suite 104
Pleasant Prairie, WI 53158
PHONE 262.657.7716
www.aocpa.net

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

To the Board of Directors of
United Migrant Opportunity Services/UMOS, INC.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal and State Program

We have audited United Migrant Opportunity Service/UMOS, INC.’s (“UMOS”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Wisconsin *State Single Audit Guidelines* that could have a direct and material effect on each of UMOS’s major federal and state programs for the year ended June 30, 2023. UMOS’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, UMOS 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 and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of UMOS 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 and state program. Our audit does not provide a legal determination of UMOS’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to UMOS’s federal and state 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 UMOS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and *State Single Audit Guidelines* 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 UMOS's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and *State Single Audit Guidelines*, 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 UMOS'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 UMOS'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 and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of UMOS'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state 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 and state 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 that testing based on the requirements of the Uniform Guidance and *State Single Audit Guidance*. Accordingly, this report is not suitable for any other purpose.

Andrea & Orendorff LLP

Andrea & Orendorff LLP

Pleasant Prairie, Wisconsin

December 21, 2023

United Migrant Opportunity Services/UMOS INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of Auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified	None reported
Type of Auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a):	No

Identification of major programs:

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
10.181	Pandemic Relief Activities: Farm and Food Worker Relief Grant Program
17.268	H-1B Job Training Grants
93.558	Temporary Assistance for Needy Families
93.600	Head Start Cluster

State Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified	None reported
Type of Auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a):	No

Identification of major programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
437001-M15-CFB0144	Wisconsin W2

Dollar threshold used to distinguish between Type A & Type B Programs:	Federal: \$1,965,418 State: \$ 250,000
Auditee qualified as low-risk auditee?	No

United Migrant Opportunity Services/UMOS INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

No findings were reported.

Section III – Federal Award Findings and Questioned Costs

No findings were reported.

Section IV – Other Issues

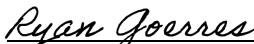
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Children and Families	No
Department of Justice	No
Department of Health Services	No
Department of Workforce Development	No
Department of Administration	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of partner



Ryan O. Goerres, CPA

Date of Report

December 21, 2023

United Migrant Opportunity Services/UMOS INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

No findings were reported.

Supplementary Information

United Migrant Opportunity Services/UMOS, INC.
Settlement of DHS Cost Reimbursement Award
For the Year Ending June 30, 2023

DHS identification number	155958	155958	43500-000038870	181023	155816
Award Name	HIV Targeted	HIV Targeted	Vaccine Outreach	Tobacco Prevention & Control	Comm Disease Harm Reduction
Award Amount	\$ 117,273	\$ 117,272	\$ 79,132	\$ 32,428	\$ 89,319
Award Period	1/1/23-12/31/23	1/1/22-12/31/22	11/1/21-10/31/22	3/1/23-12/31/23	6/1/22-5/31/23
Period of the award within audit period	1/1/23-6/30/23	7/1/22-12/31/23	7/1/22-10/31/22	3/1/23-6/30/23	7/1/22-5/31/23
A. Expenditures reported to DHS for payment	\$ 67,687	\$ 48,282	\$ 8,687	\$ 12,647	\$ 77,221
B. Actual allowable cost of award program exp.					
Program Expenses					
1. Grants and other assistance to governments and organizations in the US	\$ -	\$ -	\$ -	\$ -	\$ -
2. Grants and other assistance to individuals in the US	-	-	-	-	-
3. Grants and other assistance to governments and organizations outside the U	-	-	-	-	-
4. Benefits paid to or for members	-	-	-	-	-
5. Compensation of current officers, directors, trustees and key employees	-	-	-	-	-
6. Compensation not included above, to disqualified persons	-	-	-	-	-
7. Other salaries and wages	39,266	23,807	5,154	-	34,630
8. Pension plan contributions	1,963	1,190	258	-	1,731
9. Other employee benefits	8,572	5,504	1,078	-	7,846
10. Participant expense	3,078	1,660	-	4,695	-
11. Space and related expense	3,563	4,111	1,193	-	4,890
12. Travel expense	1,141	3,900	155	2,067	1,112
13. Supplies expense	3,231	5,894	123	12,653	14,388
14. Purchase services expense	2,458	1,134	-	1,379	-
Total Program Expenses	\$ 63,272	\$ 47,200	\$ 7,961	\$ 20,794	\$ 64,597
Management and general expenses allocated to program					
1. Compensation of current officers, directors, trustees, and key employees, allocated based on Indirect Cost Plan	\$ 35	\$ 13	\$ -	\$ -	\$ 28
2. Compensation not included above, to disqualified person, allocated based on Indirect Cost Plan	-	-	-	-	-
3. Other salaries and wages, allocated based on rate	-	-	-	-	-
4. Pension plan contributions, allocated based on rate	2	1	-	-	1
5. Other employee benefits benefits, allocated based on rate	12	4	-	-	10
6. Other cost	6,290	4,721	796	11,089	6,420
Total management and general expense allocated to program	\$ 6,339	\$ 4,739	\$ 796	\$ 11,089	\$ 6,459
C. Less Program Revenue and other offset to cost	(125)	(125)	-	-	-
D. Total allowable cost before profit (for profit only)	\$ 69,736	\$ 52,064	\$ 8,758	\$ 31,883	\$ 71,056
E. Allowable profit(for-profit only)	-	-	-	-	-
F. Total allowable cost	\$ 69,736	\$ 52,064	\$ 8,758	\$ 31,883	\$ 71,056