

**BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.**

**ANNUAL FINANCIAL REPORT**

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**FOR THE YEAR ENDED JUNE 30, 2021**

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

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TO THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS  
BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.  
WARSAW, VIRGINIA

**Report on Financial Statements**

We have audited the accompanying financial statements of Bay Consortium Workforce Development Board, Inc. (hereafter referred to as BCWDB), (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BCWDB as of June 30, 2021, 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.

### ***Restatement of Beginning Balances***

As described in Note 10 to the financial statements, in 2021, BCWDB restated beginning net assets to reflect a change in accounts receivable. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of BCWDB'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 BCWDB'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 BCWDB's internal control over financial reporting and compliance.

*Robinson, Farnum, Cox Associates*

Richmond, Virginia

March 31, 2022

## *FINANCIAL STATEMENTS*

**Bay Consortium Workforce Development Board, Inc.**  
**Statement of Financial Position**  
**June 30, 2021**

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**ASSETS**

Current Assets:

Cash	\$	40,292
Accounts receivable		<u>60,098</u>
Total current assets	\$	<u>100,390</u>

Noncurrent Assets:

Equipment	\$	45,267
Accumulated depreciation		<u>(23,820)</u>
Total noncurrent assets	\$	<u>21,447</u>
Total assets	\$	<u><u>121,837</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Current Liabilities:

Accounts payable	\$	251,003
Payroll liabilities		<u>15,464</u>
Total Current Liabilities	\$	<u>266,467</u>

Net Assets:

Without donor restrictions	\$	<u>(144,630)</u>
Total Liabilities and Net Assets	\$	<u><u>121,837</u></u>

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

**Bay Consortium Workforce Development Board, Inc.**  
**Statement of Activities**  
**For the Year Ended June, 30 2021**

	<u>Without Donor Restrictions</u>
<b>Support and Revenue:</b>	
Comprehensive One Stop	\$ 173,694
WIOA grants	1,290,330
COVID-19 VCW PPE	52,927
Wagner-Peyser	522,407
Small business grant	3,100
Miscellaneous	<u>32</u>
Total Support and Revenue	<u>\$ 2,042,490</u>
<b>Expenses:</b>	
<b>Program Services:</b>	
WIOA Adult Program	\$ 540,516
Dislocated Worker Program	202,512
Youth In School	41,003
Youth Out School	240,074
Comprehensive One Stop	145,971
WIOA Admin	59,418
Wagner-Peyser	465,500
Area 13	61,793
Economic Equality	93,849
COVID-19 VCW PPE	52,175
COVID-19 RR	<u>18,055</u>
Total program services	<u>\$ 1,920,866</u>
<b>Supporting Services:</b>	
Management and general	<u>\$ 271,426</u>
Total Expenses	<u>\$ 2,192,292</u>
Change in Net Assets	\$ (149,802)
Net Assets at Beginning of Year, as restated	<u>5,172</u>
Net Assets at End of Year	<u><u>\$ (144,630)</u></u>

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

Bay Consortium Workforce Development Board, Inc.  
Statement of Functional Expenses  
For the Year Ended June, 30 2021

	Program Services										Supporting Services			
	WIOA Adult Program	Dislocated Worker Program	Youth In School	Youth Out School	Comprehensive One Stop	WIOA Admin	Wagner-Peyser	Area 13	Economic Equality	COVID-19 VCV PPE	COVID-19 RR	Total Program Services	Management and General	Total
Salaries	\$ -	\$ 4,905	\$ -	\$ -	\$ -	\$ -	\$ 6,656	\$ -	\$ -	\$ -	\$ -	\$ 11,561	\$ 239,080	\$ 250,641
Fringe benefits	5,986	8,977	3,923	6,644	-	8,864	-	-	2,853	-	-	37,247	-	37,247
Payroll taxes	-	467	-	-	-	-	558	-	-	-	-	1,025	19,878	20,903
Consultant and contract services	18,233	2,534	-	568	-	19,093	-	61,793	-	-	-	102,221	-	102,221
Dues and subscriptions	4	7	2	5	-	37	-	-	-	-	-	55	-	55
Travel	2,508	2,368	2,437	2,437	1,139	2,829	24,355	-	-	-	-	38,073	-	38,073
Training	332,634	52,549	-	14,175	-	-	-	-	-	-	-	399,358	-	399,358
Space cost rentals	1,700	2,600	1,000	2,000	144,685	2,700	-	-	-	-	-	154,685	-	154,685
Supplies	135	202	83	158	137	272	12,908	-	-	-	-	13,895	-	13,895
Telephone	1,073	1,618	650	1,255	-	1,633	-	-	-	-	-	6,229	999	7,228
Equipment purchases	-	-	-	-	-	-	3,922	-	-	-	-	3,922	-	3,922
Postage	53	85	28	56	-	141	-	-	-	-	-	363	-	363
Operating expenditures contract	176,143	123,809	31,625	173,126	-	19,080	412,263	-	86,482	-	-	1,022,528	-	1,022,528
Subcontractors	-	-	-	37,951	-	-	-	-	-	-	-	37,951	-	37,951
COVID-19 supplies	476	476	-	-	-	-	-	-	-	-	-	71,182	-	71,182
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	6,499	6,499
Other expenses	1,571	1,915	1,255	1,699	10	4,769	4,838	-	4,514	-	-	20,571	4,970	25,541
<b>Total</b>	<b>\$ 540,516</b>	<b>\$ 202,512</b>	<b>\$ 41,003</b>	<b>\$ 240,074</b>	<b>\$ 145,971</b>	<b>\$ 59,418</b>	<b>\$ 465,500</b>	<b>\$ 61,793</b>	<b>\$ 93,849</b>	<b>\$ 52,175</b>	<b>\$ 18,055</b>	<b>\$ 1,920,866</b>	<b>\$ 271,426</b>	<b>\$ 2,192,292</b>

**Bay Consortium Workforce Development Board, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June, 30 2021**

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Cash flows from operating activities		
Change in net assets:	\$	(149,802)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation		6,499
Change in assets and liabilities:		
Increase (decrease) in accounts receivable		129,257
Increase (decrease) in accounts payable		31,853
Increase (decrease) in other liabilities		(1,477)
Increase (decrease) in payroll liabilities		<u>(4,857)</u>
Net cash provided by (used for) operating activities	\$	<u>11,473</u>
Cash flows from investing activities		
Purchases of equipment	\$	<u>(24,911)</u>
Net cash provided by (used for) investing activities	\$	<u>(24,911)</u>
Net increase (decrease) in cash	\$	(13,438)
Cash, beginning of year		53,730
Cash, end of year	\$	<u><u>40,292</u></u>

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

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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(A) Organization

Bay Consortium Workforce Investment Board, Inc. (BCWDB) is a Virginia Non-Stock, nonprofit corporation. The purpose of BCWDB is to establish programs under the Workforce Investment Act of 1998 (Public Law 105-220) to provide workforce investment activities through statewide and local workforce investment systems that increase the employment retention and earnings of participants, and increase occupational skill attainment by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation.

(B) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

(C) Financial Statement Presentation

BCWDB is required to report information regarding its financial position according to two classes of net assets based on existence or absence of donor imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed stipulations. At June 30, 2021, BCWDB had net assets without donor restrictions in the amount of (\$144,630).

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of BCWDB or the passage of time. At June 30, 2021, BCWDB had no net assets with donor restrictions.

Revenues - Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions.

Contributions - BCWDB reports gifts of cash and other assets as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, (that is, when a stipulated time restriction ends or purposed restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions are not in the net asset with donor restrictions class if it is anticipated such restrictions will be met in the current reporting period.

(D) Property and Equipment

Property and equipment are capitalized and depreciated over the estimated useful life of 3 to 5 years, depending upon the type of assets. BCWDB does not depreciate assets under \$500, but any purchases below that amount are expensed at the time of purchase.

**BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021 (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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(E) Income Tax Exempt Status

BCWDB has been recognized by the Internal Revenue Service as exempt for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

BCWDB adopted the provisions of Financial Accounting Standards Board ASC 740-10 Income Taxes. This Provision requires a liability to be recorded for unrecognized tax benefits, and any related interest and penalties, when it is more likely than not a tax position taken by management with the respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no material uncertain tax positions or related interest and penalties at June 30, 2021.

(F) Functional Allocation of Expenses

BCWDB allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

Functional expenses are apportioned between program and supporting services based on personnel time and space utilized for related activities. Some expense apportionments are estimates because of the overlap of activities and the difficulty of record keeping for usage. Specifically identifiable expenses are allocated.

(G) Use of Estimates

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

(H) Revenue and Revenue Recognition

A portion of BCWDB'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 BCWDB 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. BCWDB received cost-reimbursable grants of \$1,290,329. No amounts have been received in advance under BCWDB's federal and state contract grants.

**BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021 (Continued)**

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**NOTE 2 - PROPERTY AND EQUIPMENT**

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Property and equipment are capitalized at the time of purchase as required by accounting principles generally accepted in the United States of America. Property and equipment are recorded at cost. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over estimated useful lives. Depreciation expense for the year ended June 30, 2021 was \$6,499. The following is a summary of changes in property and equipment for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Property and equipment subject to depreciation:				
Equipment	\$ 20,356	\$ 24,911	\$ -	\$ 45,267
Total property and equipment subject to depreciation	\$ 20,356	\$ 24,911	\$ -	\$ 45,267
Accumulated depreciation:				
Equipment	\$ 17,321	\$ 6,499	\$ -	\$ 23,820
Total accumulated depreciation	\$ 17,321	\$ 6,499	\$ -	\$ 23,820
Total property and equipment subject to depreciation, net	\$ 3,035	\$ 18,412	\$ -	\$ 21,447
Total property and equipment, net	<u>\$ 3,035</u>	<u>\$ 18,412</u>	<u>\$ -</u>	<u>\$ 21,447</u>

**NOTE 3 - CONTINGENT LIABILITIES**

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Grant funds received by BCWDB are subject to audit by the various funding agencies. The management of BCWDB believes that adjustments, if any, as a result of such audits will not have a material effect upon BCWDB's financial statements for any liability that may result.

**NOTE 4 - OPERATING LEASES**

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BCWDB has noncancelable operating leases for buildings and certain office equipment. Future minimum lease payments for the years ending December 31, are as follows:

2022	\$	10,000
2023		<u>10,000</u>
	\$	<u><u>20,000</u></u>

Rent expense totaled \$154,685 for the year ended June 30, 2021.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

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Several of BCWDB's board members are also subcontractors and receive funding directly from BCWDB. This policy is in accordance with the WIOA. The total amount paid to these members was \$877,703.

**BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021 (Continued)**

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**NOTE 6 - CONCENTRATION OF CREDIT RISK**

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BCWDB maintains its cash in a bank which is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021, cash in the bank did not exceed federally insured amounts.

**NOTE 7 - LIQUIDITY AND AVAILABILITY**

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BCWDB monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. BCWDB does not have a written investment policy. BCWDB has the following financial assets that could be readily made available within one year of the statement of financial position to fund expenses without limitations:

Cash	\$	40,292
Accounts receivable		60,098
	\$	<u>100,390</u>

**NOTE 8 - DATE OF MANAGEMENT'S REVIEW**

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In preparing these financial statements, management of BCWDB has evaluated events and transactions for potential recognition or disclosure through March 31, 2022, the date the financial statements were available to be issued.

**NOTE 9 - COVID-19 PANDEMIC**

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In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Depending on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape, the disease could have a material adverse effect on BCWDB'S future business, results of operations, financial condition, and cash flows.

**NOTE 10 - RESTATEMENT OF BEGINNING NET ASSETS**

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The following adjustments were made to beginning net assets:

Balance, July 1, 2020, as previously stated	\$	(58,559)
Correction to accounts receivable		<u>63,731</u>
Balance, July 1, 2020, as restated	\$	<u>5,172</u>

*COMPLIANCE*



**INDEPENDENT AUDITORS' 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**

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**TO THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS  
BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.  
WARSAW, VIRGINIA**

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 Bay Consortium Workforce Development Board, Inc. (hereafter referred to as BCWDB), (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered BCWDB'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 BCWDB's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BCWDB'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.

*Robinson, Farmer, Cox Associates*

Richmond, Virginia  
March 31, 2022



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

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**TO THE HONORABLE MEMBERS OF THE BOARD OF DIRECTORS  
BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.  
WARSAW, VIRGINIA**

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

We have audited Bay Consortium Workforce Development Board, Inc. (hereafter referred to as BCWDB), (a nonprofit organization), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of BCWDB's major federal programs for the year ended June 30, 2021. BCWDB's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of BCWDB's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about BCWDB's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

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

## Report on Internal Control over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Robinson, Farnum, Cox Associates*

Richmond, Virginia  
March 31, 2022

**Bay Consortium Workforce Development Board, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June, 30 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
<u>Department of Labor</u>				
Pass-Through Awards:				
Virginia Community College System:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	Not Available	\$ 511,877	\$ 400,896
WIOA Dislocated Worker Formula Grants	17.278	Not Available	402,516	387,700
WIOA Youth Activities	17.259	Not Available	344,425	262,541
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			\$ 1,258,818	\$ 1,051,137
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Not Available	\$ 31,511	\$ 17,677
Total Expenditures of Federal Awards			\$ 1,290,329	\$ 1,068,814

Notes to Schedule of Expenditures of Federal Awards:

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - De Minimis Cost Rate

The Organization did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note D - Loan Balances

The Organization has no loans or loan guarantees which are subject to reporting requirements in the current year.

BAY CONSTORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

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**Section I-Summary of Auditors' Results**

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

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

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_ yes ✓ no

Identification of major programs:

Assistance Listing Number(s)  
17.258/17.259/17.278

Name of Federal Program or Cluster  
Workforce Innovation and Opportunity Act (WIOA) Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes ✓ no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**Section IV-Prior Year Audit Findings**

None