

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017

(INDEPENDENT AUDITORS' REPORT THEREON)

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bay Consortium Workforce Development Board, Inc.
Warsaw, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of BCWDB, which comprise the statement of financial position as of June 30, 2017, 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.

Auditor's Responsibility

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

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

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

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, 2017, 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.

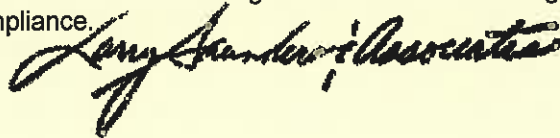
Other Matters

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* (CFR) 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 May 10, 2018, 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 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 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.



Richmond, Virginia
May 10, 2018

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash	\$ 100,747	-	100,747
Accounts Receivable	48,406	-	48,406
Prepaid Expenses	-	-	-
Total Current Assets	149,153	-	149,153
Equipment (note 2)	45,459	-	45,459
Accumulated Depreciation	(32,008)	-	(32,008)
Total Assets	\$ 162,604	-	162,604
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 313,746	-	313,746
Other Liabilities	-	-	-
Payroll Liabilities	44,060	-	44,060
Total Current Liabilities	357,806	-	357,806
Total Liabilities	357,806	-	357,806
Net Assets	(195,202)	-	(195,202)
Total Liabilities and Net Assets	\$ 162,604	-	162,604

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>SUPPORT AND REVENUE</u>			
Adult Program	\$ -	576,991	576,991
Dislocated Worker Program	-	210,312	210,312
Comprehensive One Stop	-	457,530	457,530
Youth In School	-	129,511	129,511
Youth Out School	-	364,278	364,278
WIOA Youth in School	-	12,750	12,750
WIOA Youth Out of School	-	154,473	154,473
FWC Management	-	6,754	6,754
DW National Reserve	-	7,643	7,643
LEAP Grant	-	194,563	194,563
WIOA Adult	-	24,146	24,146
WIOA DW	-	648,332	648,332
JD NEG	-	255,672	255,672
Ticket to Work	-	5,231	5,231
Net assets released from restrictions			
Satisfaction of program restrictions	3,048,186	(3,014,186)	-
Total Support and Revenue	<u>3,048,186</u>	<u>-</u>	<u>3,048,186</u>
<u>EXPENSES</u>			
Adult Program	569,766	-	569,766
Dislocated Worker Program	236,374	-	236,374
Youth In School	124,563	-	124,563
Youth Out School	385,329	-	385,329
Comprehensive One Stop	450,374	-	450,374
Administration	102,528	-	102,528
Other Programs (Sch 2)	670,067	-	670,067
WIOA DW	345,896	-	345,896
Total Expenses	<u>2,884,897</u>	<u>-</u>	<u>2,884,897</u>
Change in net assets	163,289	-	163,289
Prior Period Adjustment	-	-	-
Net Assets, Beginning	<u>(358,491)</u>	<u>-</u>	<u>(358,491)</u>
Net Assets, Ending	<u>\$ (195,202)</u>	<u>-</u>	<u>(195,202)</u>

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	ADULT PROGRAM	DISLOCATED WORKER PROGRAM	YOUTH IN SCHOOL	YOUTH OUT SCHOOL	COMP ONE STOP	ADMIN	Schedule 2 OTHER PROGRAMS	WIOA DW	TOTAL
Salaries	\$ 35,834	1,350	8,375	16,278	170,074	39,844	149,140	109,073	529,988
Fringe Benefits	-	-	-	-	-	-	-	-	-
Consultant and Contract Services	10,782	1,857	-	-	-	8,275	9,706	12,798	43,429
Dues/Subscriptions	-	-	17	-	-	51	777	78	923
Travel	2,052	-	854	1,588	1,252	6,771	9,921	5,849	28,287
Training	286,717	121,625	2,070	24,951	-	-	75,672	31,179	542,214
Space Cost Rentals	7,101	4,872	681	1,173	158,727	1,590	4,521	7,555	186,220
Supplies	165	26	97	196	789	207	782	467	2,729
Telephone	1,040	9	408	788	10,351	1,084	3,147	2,917	19,742
Repairs and Maintenance	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	204	-	-	-	204
Postage	50	-	28	47	-	44	271	188	628
Operating Expenditures Contract	223,936	102,507	106,181	312,823	-	42,933	-	165,957	954,337
Subcontractors	-	4,047	-	-	-	-	-	-	4,047
Other expenses	2,079	81	5,854	27,485	108,977	1,729	416,130	9,834	572,169
Total Expenses	\$ 569,766	236,374	124,563	385,329	450,374	102,528	670,067	345,896	2,884,897

See accompanying notes to financial statements.

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities:

Change in net assets	\$ 163,289
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation Expense	-
Prior period adjustment	-
(Increase) decrease in undeposited funds	237,434
(Increase) decrease in accounts receivable	7,951
(Increase) decrease in other assets	-
Increase (decrease) in accounts payable	(394,280)
Increase (decrease) in accrued liabilities	2,419
Total adjustments	(146,476)
Net cash provided (used) by operating activities	16,813
Cash flows from investing activities	
Disposal of fixed assets	-
Net cash provided (used) by investing	-
Net increase (decrease) in cash and equivalents	16,813
Cash and equivalents, beginning	83,934
Cash and equivalents, ending	\$ 100,747

DISCLOSURE OF ACCOUNTING POLICY

For the purpose of this Statement of Cash Flows, cash and cash equivalents consist of checking accounts, petty cash, savings accounts, and certificates of deposit with a maturity of three months or less.

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies

(a) Organization

Bay Consortium Workforce Investment Board, Inc. (BCWDB) is a Virginia Non-Stock, non profit 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

In accordance with FASB Codification 958-605 Revenue Recognition, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Under FASB Codification 958-205 entitled Presentation of Financial Statements, BCWDB is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted nets assets, and permanently restricted net assets. In addition, BCWDB is required to present a Statement of Cash Flows.

(b) Basis of Accounting

The financial statements are presented using the accrual basis of accounting. Accordingly, revenue is Recognized when earned and expenses are recognized when incurred.

(c) Tax Exempt Status

BCWDB is exempt from Federal and State income taxes under the Internal Revenue Code Section 501 (c) (3). BCWDB is not a private foundation as considered by the IRS.

(d) 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.

2. Fixed Assets

Fixed assets are capitalized and depreciated over the estimated useful life of 3, 5 & 7 years, depending upon The type of assets. BCWDB does not depreciate assets under \$500.00, but anything purchases below that amount Is expensed at the time of purchase.

3. Functional Expenses

Expenses are charges directly to program or management and general categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

4. Net Assets

Net assets are primarily unexpended grant funds. Under terms of the grant awards, the grantor retains the rights to require unexpended funds to be returned to the granting agency unless prior approval is obtained for subsequent expending by BCWDB.

5. Lease

BCWDB entered into a 60 month lease of the office building, with the first payment due July 1, 2010 in the Amount of \$833.33. The future minimum lease payments over the next year are as follows:

2018	\$ <u>10,000</u>
	\$ <u>10,000</u>

6. Related Party Transactions

Several of BCWDB's board members are also subcontractors and receive funding directly from BCWDB. This policy is in accordance with the Workforce investment Act. The total amount paid to these members was \$975,887.

7. Contingent Liabilities

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.

8. Subsequent Events

In preparing these financial statements, BCWDB has evaluated events and transactions for potential recognition or disclosure through March 10, 2018, the date of these financial statements

9. Uncertain Tax Positions

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, 2017.

SUPPLEMENTARY DATA

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
 SCHEDULE OF
 EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017

<u>Major Programs</u>	<u>Federal CFDA NUMBER</u>	<u>EXPENDITURES</u>
<u>Department of Labor</u>		
WIOA Cluster		
Pass-through from Virginia Community College Systems		
WIOA		
Adult Program	17.258	\$618,394
Dislocated Worker Program	17.278	582,270
Youth In School	17.259	124,563
Youth Out of School	17.259	385,329
WIOA Admin Adult	17.258	70,872
WIOA Admin DW	17.278	24,636
WIOA Admin Youth Out of School	17.259	9,174
WIOA Admin Youth In School	17.259	9,432
DW National Reserve	17.281	6,868
JD-NEG	17.277	244,960
LEAP Grant	17.270	188,784
		<hr/>
Total		<u>\$2,265,282</u>

Basis of Presentation:

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

BAY CONSORTIUM WORKFORCE INVESTMENT BOARD, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2017

1. General

The accompanying schedule of expenditures of federal awards present the activity of all federal assisted programs of Bay Consortium Workforce Development Board, Inc. (BCWDB). All federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the schedule.

2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in note 1 to BCWDB's financial statements.

3. Relationship to Financial Statements

Federal awards expenditures are reported in BCWDB's financial statements as follows:

WIOA Adult Program	\$ 689,264
WIOA Dislocated Workers Program	603,546
DW National Reserve	6,868
JD-NEG	244,960
LEAP Grant	188,784
WIA/WIOA Youth Program	<u>562,804</u>

Total Federal Expenditures	<u>\$2,296,226</u>
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4. Sub-recipients

The following entities are sub-recipients for the federal awards:

Easter Shore Community College	\$ 247,644
Employment Resources Inc.	304,854
Job Assistance Center	281,444
Rappahannock Community College	172,494
Virginia Employment Commission Fredericksburg	<u>555,748</u>

Total	<u>\$1,562,184</u>
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BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
 STATEMENT OF FUNCTIONAL EXPENSES OTHER PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2017

TICKET TO WORK	FWC MGMT	JD NEG	WIOA YOUTH IN SCHOOL	WIOA YOUTH OUT OF SCHOOL	WIOA ADMIN	DW NATIONAL RESERVE	LEAP GRANT	WIOA ADULT	TOTALS
Salaries	5,066	14,779	-	773	87,615	-	23,429	17,488	149,140
Fringe Benefits	-	-	-	-	-	-	-	-	-
Consultant and Contract Services	-	-	-	-	4,500	5,206	-	-	9,706
Dues/Subscriptions	-	-	-	-	748	-	-	29	777
Travel	76	214	-	146	5,874	1,662	-	1,148	9,921
Training	-	70,105	-	167	3,150	-	-	5,567	75,672
Space Cost Rentals	-	-	-	-	670	-	-	1,204	4,521
Supplies	-	-	-	-	2,623	-	-	104	782
Telephone	72	-	-	42	-	-	-	410	3,147
Repairs and Maintenance	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	-	-	-	-	-
Postage	-	8	-	11	206	-	-	46	271
Subcontractors	-	-	-	-	-	-	-	-	-
Other expenses	-	159,854	-	33,167	31,216	-	165,355	22,632	416,130
3,906									
\$4,715	5,204	244,960		34,306	136,602	6,868	188,784	48,628	670,067

**MANAGEMENT LETTER
INCLUDING COMMENTS ON INTERNAL CONTROL
AND
INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE**

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
Bay Consortium Workforce Development Board, Inc. (BCWDB).

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 BCWDB, which comprise the statement of financial position as of June 30, 2017, 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

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) to determine the 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 BCWDB'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 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Richmond, Virginia
May 10, 2018

LARRY SAUNDERS & ASSOCIATES

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

To the Board of Directors
Bay Consortium Workforce Development Board, Inc. (BCWDB)

Report on Compliance for Each Major Federal Program

We have audited BCWDB's 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, 2017. BCWDB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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, 2017.

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.

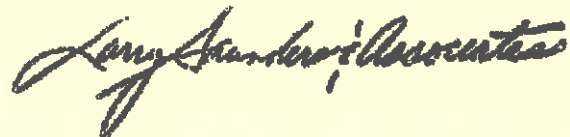
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of BCWDB as of and for the year ended June 30, 2017, and have issued our report thereon dated May 10, 2018, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Richmond, Virginia
May 10, 2018

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the (general purpose) financial statements of Bay Consortium Workforce Development Board, Inc.
2. No significant deficiency disclosed during the audit.
3. There were no instances of non-compliance that were material to the financial statements.
4. The type of report issued on compliance for major programs, was unmodified opinion.
5. The program tested as a major program included: WIOA cluster.
5. The threshold for distinguishing Type A and B programs were \$700,000 type A and \$300,000 for type B.
6. Bay Consortium Workforce Development Board, Inc. was determined to be a low risk auditee.

B. SCHEDULE OF FINDINGS AND QUESTIONED COSTS

None noted