

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

**ANNUAL FINANCIAL REPORT**

---

**FOR THE YEAR ENDED JUNE 30, 2024**

BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

---

	<u>Page</u>
Independent Auditors' Report	1-3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12
<b><u>Compliance:</u></b>	
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 <i>Government Auditing Standards</i>	13-14
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	15-17
Schedule 1      Schedule of Expenditures of Federal Awards	18
Schedule 2      Schedule of Findings and Questioned Costs	19



**INDEPENDENT AUDITORS' REPORT**

---

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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Bay Consortium Workforce Development Board (hereafter referred to as BCWDB) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of BCWDB as of June 30, 2024, 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 the *Government Auditing Standards* issued by the comptroller general of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BCWDB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' 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 auditors' 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 BCWDB'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 BCWDB'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 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 schedule of expenditures of federal 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 November 1, 2024, 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, Fennell, Cox Associates*

Richmond, Virginia  
November 1, 2024

## *FINANCIAL STATEMENTS*

**Bay Consortium Workforce Development Board, Inc.**  
**Statement of Financial Position**  
**June 30, 2024**

<u>ASSETS</u>	
Current Assets:	
Cash	\$ 138,423
Accounts receivable	33,236
	<hr/>
Total current assets	\$ 171,659
Noncurrent Assets:	
Equipment, net of accumulated depreciation	\$ 4,982
Operating lease ROU asset, net of amortization	1,340,557
	<hr/>
Total noncurrent assets	\$ 1,345,539
	<hr/>
Total assets	\$ 1,517,198
	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Current Liabilities:	
Accounts payable	\$ 202,621
Payroll liabilities	51,544
Lease liabilities, current portion	167,356
	<hr/>
Total Current Liabilities	\$ 421,521
	<hr/>
Long-term Liabilities:	
Lease liabilities, net of current portion	\$ 1,220,078
	<hr/>
Net Assets:	
Without donor restrictions	\$ (124,401)
	<hr/>
Total Liabilities and Net Assets	\$ 1,517,198
	<hr/> <hr/>

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 2024**

	<u>Without Donor Restrictions</u>
Support and Revenue:	
Comprehensive One Stop	\$ 279,940
Federal WIOA grants - WIOA Cluster	1,427,055
Federal WIOA grant - Critical Workforce	93,589
Locality grants	91,816
State grants	258,495
Miscellaneous	<u>16,267</u>
Total Support and Revenue	<u>\$ 2,167,162</u>
Expenses:	
Program Services:	
WIOA Adult Program	\$ 543,449
Dislocated Worker Program	52,043
Youth In School	20,581
Youth Out School	275,811
Comprehensive One Stop	281,513
WIOA Admin	<u>137,391</u>
Total program services	<u>\$ 1,310,788</u>
Supporting Services:	
Management and general	<u>\$ 823,345</u>
Total Expenses	<u>\$ 2,134,133</u>
Change in Net Assets	\$ 33,029
Net Assets at Beginning of Year	<u>(157,430)</u>
Net Assets at End of Year	<u><u>\$ (124,401)</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 2024

	Program Services										Supporting Services							
	Dislocated Worker Program					Youth In School					Youth Out School	Comprehensive One Stop	WIOA Admin	Total Program Services	Management and General	Total		
	WIOA Adult Program	Dislocated Worker Program	Youth In School	Youth Out School	Comprehensive One Stop	WIOA Admin	Total Program Services	Management and General	Total	WIOA Adult Program	Dislocated Worker Program	Youth In School	Youth Out School	Comprehensive One Stop	WIOA Admin	Total Program Services	Management and General	Total
Salaries	-	-	-	-	-	67,882	112,543	410,022	522,565	-	-	-	-	44,661	67,882	112,543	410,022	522,565
Fringe benefits	14,260	3,108	-	15,415	3,676	2,145	38,604	481	39,085	-	-	-	-	-	2,145	38,604	481	39,085
Payroll taxes	-	-	-	-	3,675	5,337	9,012	36,435	45,447	-	-	-	-	-	5,337	9,012	36,435	45,447
Consultant and contract services	-	-	-	-	-	17,250	17,250	212,176	229,426	-	-	-	-	-	17,250	17,250	212,176	229,426
Dues and subscriptions	6,088	29	-	236	-	124	6,477	28,630	35,107	-	-	-	-	-	124	6,477	28,630	35,107
Travel	1,294	405	-	1,870	-	13,266	16,835	35,621	52,456	-	-	-	-	-	13,266	16,835	35,621	52,456
Training	202,409	3,500	8,576	92,998	-	2,125	309,608	11,570	321,178	-	-	-	-	-	2,125	309,608	11,570	321,178
Supplies	1,721	530	-	2,437	1,845	6,170	12,703	28,445	41,148	-	-	-	-	-	6,170	12,703	28,445	41,148
Telephone and telecommunications	3,384	265	-	1,877	9,449	2,330	17,305	2,875	20,180	-	-	-	-	-	2,330	17,305	2,875	20,180
Insurance	568	41	-	305	-	4,020	4,934	-	4,934	-	-	-	-	-	4,020	4,934	-	4,934
Equipment purchases and rentals	1,373	98	-	735	851	245	3,302	796	4,098	-	-	-	-	-	245	3,302	796	4,098
Postage	175	13	-	94	10	31	323	-	323	-	-	-	-	-	31	323	-	323
Printing	63	63	-	252	1,024	-	1,402	24,266	25,668	-	-	-	-	-	-	1,402	24,266	25,668
Operating expenditures contract	280,934	42,932	12,005	156,592	-	15,466	507,929	-	507,929	-	-	-	-	-	15,466	507,929	-	507,929
Occupancy	5,600	401	-	3,000	9,544	1,000	19,545	6,000	25,545	-	-	-	-	-	1,000	19,545	6,000	25,545
Interest	-	-	-	-	24,044	-	24,044	-	24,044	-	-	-	-	-	-	24,044	-	24,044
Depreciation and amortization	-	-	-	-	182,734	-	182,734	4,982	187,716	-	-	-	-	-	-	182,734	4,982	187,716
Other expenses	25,580	658	-	-	-	-	26,238	21,046	47,284	-	-	-	-	-	-	26,238	21,046	47,284
<b>Total</b>	<b>\$ 543,449</b>	<b>\$ 52,043</b>	<b>\$ 20,581</b>	<b>\$ 275,811</b>	<b>\$ 281,513</b>	<b>\$ 137,391</b>	<b>\$ 1,310,788</b>	<b>\$ 823,345</b>	<b>\$ 2,134,133</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,391</b>	<b>\$ 1,310,788</b>	<b>\$ 823,345</b>	<b>\$ 2,134,133</b>

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

**Bay Consortium Workforce Development Board, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June, 30 2024**

---

Cash flows from operating activities		
Change in net assets:	\$	33,029
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization		187,716
Change in assets and liabilities:		
(Increase) decrease in accounts receivable		(31,964)
Increase (decrease) in accounts payable		(38,227)
Increase (decrease) in payroll liabilities		17,177
Net cash provided by (used for) operating activities	\$	<u>167,731</u>
Cash flows from financing activities:		
Principal paid on lease liability	\$	<u>(160,984)</u>
Net cash provided by (used for) investing activities	\$	<u>(160,984)</u>
Net increase (decrease) in cash	\$	6,747
Cash, beginning of year		<u>131,676</u>
Cash, end of year	\$	<u><u>138,423</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, 2024

---

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

(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, 2024, BCWDB had net assets without donor restrictions in the amount of (\$124,401).

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, 2024, 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, 2024 (Continued)**

---

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

---

(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, 2024.

(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 \$1,520,644. 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, 2024 (Continued)

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

(l) Leases

BCWDB recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. BCWDB is a lessee in an operating lease for office space. BCWDB determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. BCWDB recognizes a lease liability and a right to use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise BCWDB uses its incremental borrowing rate. BCWDB 's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e. present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) and prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straightline basis over the lease term.

#### NOTE 2 - PROPERTY AND EQUIPMENT

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, 2024, was \$4,982. The following is a summary of changes in property and equipment for the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Property and equipment subject to depreciation:				
Equipment	\$ 45,267	\$ -	\$ -	\$ 45,267
Total property and equipment subject to depreciation	\$ 45,267	\$ -	\$ -	\$ 45,267
Accumulated depreciation:				
Equipment	\$ 35,303	\$ 4,982	\$ -	\$ 40,285
Total accumulated depreciation	\$ 35,303	\$ 4,982	\$ -	\$ 40,285
Total property and equipment subject to depreciation, net	\$ 9,964	\$ (4,982)	\$ -	\$ 4,982
Total property and equipment, net	\$ 9,964	\$ (4,982)	\$ -	\$ 4,982

## BAY CONSORTIUM WORKFORCE DEVELOPMENT BOARD, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024 (Continued)

---

#### NOTE 3 - 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.

#### NOTE 4 - OPERATING LEASES

---

BCWDB has an obligation as a lessee for office space with an initial noncancelable term in excess of one year. BCWDB classified this lease as an operating lease. BCWDB's lease does not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contract include only fixed payments.

Amounts reported in the financial statements as of June 30, 2024, were as follows:

Operating leases:

Operating lease ROU asset	\$ 1,340,557
Operating lease liability	\$ <u>1,387,434</u>

Maturities of the lease liability under the noncancelable operating lease as of June 30, 2024, are as follows:

2025	\$ 188,729
2026	192,503
2027	196,353
2028	200,280
2029	204,286
2030	208,372
2031	212,539
2032	72,023
Total	\$ <u>1,475,085</u>
Less: imputed interest	<u>(87,651)</u>
Total lease liability	\$ <u>1,387,434</u>

#### NOTE 5 - 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 WIOA. The total amount paid to these members was \$661,693.

#### NOTE 6 - CONCENTRATION OF CREDIT RISK

---

BCWDB maintains its cash in a bank which is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024, cash in the bank did not exceed federally insured amounts.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (Continued)**

---

**NOTE 7 - LIQUIDITY AND AVAILABILITY**

---

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	\$	138,423
Accounts receivable		33,236
	\$	<u>171,659</u>

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

---

In preparing these financial statements, management of BCWDB has evaluated events and transactions for potential recognition or disclosure through November 1, 2024, the date the financial statements were available to be issued.

*COMPLIANCE*



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**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**

---

**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, 2024, 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 November 1, 2024.

**Report on 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 or significant deficiencies may exist that have not been identified.

**Report on 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, Fennell, Cox Associates*

Richmond, Virginia  
November 1, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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

---

**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**

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

We have audited Bay Consortium Workforce Development Board, Inc. (hereafter referred to as BCWDB) compliance with the types of compliance requirements identified as subject to audit 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, 2024. BCWDB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, BCWDB complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of BCWDB and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of BCWDB'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 BCWDB's federal programs.

## ***Auditors' 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 BCWDB'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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about BCWDB'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, 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 BCWDB'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 BCWDB's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of BCWDB's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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.

## Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Accordingly, this report is not suitable for any other purpose.

*Robinson, Fennell, Cox Associates*

Richmond, Virginia  
November 1, 2024

**Bay Consortium Workforce Development Board, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June, 30 2024**

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>				
Direct Award:				
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	N/A	\$ 93,589	\$ 8,870
Pass-Through Awards:				
Virginia Community College System:				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	Not Available	\$ 483,908	\$ 504,064
WIOA Dislocated Worker Formula Grants	17.278	Not Available	458,026	46,640
WIOA Youth Activities	17.259	Not Available	485,121	230,631
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			\$ 1,427,055	\$ 781,335
Total Expenditures of Federal Awards			\$ 1,520,644	\$ 790,205

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, 2024. 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, 2024

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