

**GREATER NEW BEDFORD
WORKFORCE INVESTMENT BOARD, INC.**

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2017

GREATER NEW BEDFDORD WORKFORCE INVESTMENT BOARD, INC.

June 30, 2017

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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*

Members of the Board of Directors

Greater New Bedford Workforce Investment Board, Inc.
New Bedford, Massachusetts

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 the Greater New Bedford Workforce Investment Board, Inc. ("WIB"), 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 September 3, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the WIB'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the WIB'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 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 the WIB'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*.

Continued

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*

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hague, Sahady & Co. PC". The signature is written in black ink and is positioned above a horizontal line.

Fall River, Massachusetts
September 3, 2017

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Members of the Board of Directors

Greater New Bedford Workforce Investment Board, Inc.
New Bedford, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Greater New Bedford Workforce Investment Board, Inc.'s (WIB) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the WIB's major federal programs for the year ended June 30, 2017. The WIB'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of WIB'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 WIB'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 the WIB's compliance.

Opinion on Each Major Federal Program

In our opinion, the WIB 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.

Continued

Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance

Report on Internal Control over Compliance

Management of the WIB 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 the WIB'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 the WIB'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 Greater New Bedford Workforce Investment Board, Inc. (WIB), as of and for the year ended June 30, 2016, and have issued our report thereon dated September 3, 2017, 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hague, Sabady & Co. PC

Fall River, Massachusetts
September 3, 2017

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Notes to Schedule of Expenditures of Federal Awards

June, 30, 2017

Federal Grantor/Pass-Through Grantor/Program Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Award Amount	Federal Expenditure	Passed through to Subrecipients	Major
US Department of Labor:						
<i>Passed through from the Massachusetts Department of Workforce Development, Division of Career Services:</i>						
Employment Services Cluster:						
Wagner/Peysen 10%	17.207	FES2017 J107	\$ 30,845	\$ 30,845	\$ 23,812	
Wagner/Peysen 90%	17.207	FES2017 J105	4,270	4,270	4,270	
Wagner/Peysen 90% (UI)	17.207	FES2017 J105	23,812	23,812	-	
DVOP	17.801	FVETS2017 J109	<u>5,186</u>	<u>5,186</u>	<u>5,186</u>	
Total Employment Services Cluster			<u>64,113</u>	<u>64,113</u>	<u>33,268</u>	
REA6	17.225	FUIREA16	29,724	29,724	29,724	
Trade Case Management	17.245	FTRADE2016 H902	1,950	1,950	1,950	
Dislocated Worker Training	17.277	FEM62HLS16	<u>423,076</u>	<u>228,542</u>	<u>62,173</u>	
Workforce Investment Act (Title I) Cluster:						
Adult FY17	17.258	FWIASDT17A/B	540,964	535,209	308,274	Major
Adult FY16	17.258	FY15ADT98QO 4802	683,248	112,937	80,280	Major
Youth FY17	17.259	FWIAYTH17 6101	759,567	611,668	419,144	Major
Youth FY16	17.259	FY15YTH2015 4901	745,728	133,787	115,172	Major
Dislocated Worker FY17	17.278	FWIADWK17A/B	588,639	557,812	419,375	Major
Dislocated Worker FY16	17.278	F15DWK98QQ 4803	<u>724,667</u>	<u>44,722</u>	<u>31,805</u>	Major
Total Workforce Investment Act (Title I) Cluster			<u>4,042,813</u>	<u>1,996,135</u>	<u>1,374,050</u>	
<i>Total passed through from the Massachusetts Department of Workforce Development, Division of Career Services</i>			<u>4,561,676</u>	<u>2,320,464</u>	<u>1,501,165</u>	
<i>Passed through from the Commonwealth Corporation:</i>						
Sector Regional Strategies	17.277	62008	<u>38,083</u>	<u>35,205</u>	-	
<i>Total passed through from the Commonwealth Corporation</i>			<u>38,083</u>	<u>35,205</u>	-	
Total US Department of Labor			<u>4,599,759</u>	<u>2,355,669</u>	<u>1,501,165</u>	
Total Federal Awards			<u>\$ 4,599,759</u>	<u>\$ 2,355,669</u>	<u>\$ 1,501,165</u>	

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Notes to Schedule of Expenditures of Federal Awards

June, 30, 2017

1. Definition of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents activity of all Federal financial assistance programs of the Greater New Bedford Workforce Investment Board, Inc. Federal financial assistance received includes funds received directly from Federal agencies as well as Federal financial assistance passed through other governmental agencies and received by the Greater New Bedford Workforce Investment Board, Inc. (WIB).

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greater New Bedford Workforce Investment Board, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

3. Major Programs

The Greater New Bedford Workforce Investment Board, Inc. has defined its major programs for Uniform Guidance reporting purposes by using the required risk-based approach after classifying the programs as Type A or Type B as provided in Section 520 of the Circular. The determination was based on an overall evaluation of the risk of non-compliance occurring, which could be material to the federal program.

4. Direct Charges and Indirect Cost Allocations

It is the Greater New Bedford Workforce Investment Board, Inc.'s policy to allocate indirect costs to various grants based on the approved indirect cost rate.

Expenditures are directly charged to benefitting grants whenever possible. Staff salaries and fringe are directly charged to funding sources based on the number of hours worked on each grant and cost category, as recorded on weekly timesheets. Pooled or shared costs are then allocated on a monthly basis to the various funding sources according to direct salary percentages for that period.

5. Program Cluster

In accordance with the requirements of the Uniform Guidance, certain programs have been clustered in determining major programs. The following represent the clustered programs:

Workforce Investment Act - Title 1 Cluster

Adult	17.258
Youth	17.259
Dislocated Worker	17.278

Employment Services Cluster

Employment Services / Wagner Peyser Funded Activities	17.207
Disabled Veterans Outreach Program	17.801

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Notes to Schedule of Expenditures of Federal Awards

June, 30, 2017

6. *10% De-Minimis Indirect Cost Rate*

The WIB did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR Part 200 Section 414 "Indirect (F&A) Costs"

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Summary of Audit Results

Year Ended June, 30, 2017

1. **Summary of Audit Results**

Financial Statements

We have audited the financial statements of the Greater New Bedford Workforce Investment Board, Inc., as of and for the Year Ended June 30, 2017 and have issued our reports thereon dated September 3, 2017. 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.

The results of our audit are as follows:

Type of Report issued on the Financial Statements	Unqualified
Internal Control over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No
Noncompliance Material to the Financial Statements Noted?	No

Federal Awards

We have audited the compliance of the Greater New Bedford Workforce Investment Board, Inc., with the types of compliance requirements described in the Uniform Guidance that are applicable to each of its federal programs for the Year Ended June 30, 2017 and have issued our reports thereon dated September 3, 2017.

The results of our audit are as follows:

Internal Control over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No

Type of Report on Compliance for Major Programs:

Workforce Investment Act (WIA) Title I Cluster (CDFAs 17.258, 17.259, and 17.278)	Unqualified
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Disclosure of Audit Findings required to be reported under the Uniform Guidance:	No
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Identification of Major Programs:

Name of Federal Program or Cluster

Workforce Investment Act (WIA) Title I Cluster:

- Adult - CFDA 17.258
- Youth - CFDA 17.259
- Dislocated Worker - CFDA 17.278

Threshold for distinguishing Type A and Type B Programs was \$750,000.

The Greater New Bedford Workforce Investment Board, Inc. does qualify as a low risk auditee.

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Summary of Audit Results

Year Ended June, 30, 2017

2. *Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the Financial Statements*

None

3. *Findings and Questioned Costs Which are Required to be Reported Over Major Federal Programs*

None

GREATER NEW BEDFORD WORKFORCE INVESTMENT BOARD, INC.

Status of Prior Year Findings

Year Ended June, 30, 2017

1. Status of Prior Year Findings

None