

**WDC Meeting
Agenda
September 15, 2016
3:00-4:00 p.m.**

Tacoma Rail 2601 SR 509 North Frontage Rd., Tacoma WA 98421

Eric Hahn, Chair

Joyce Conner, 1st Vice-chair

Ron Thalheimer, 2nd Vice-chair

Robin Baker

Michelle Burreson

Steve Gear

April Gibson

Darci Gibson

Mike Johnson

Bruce Kendall

Dale King

Dave Lawson

Mark Martinez

Mary Matusiak

Wayne Nakamura

Sharon Ness

Tim Owens

Dona Ponepinto

Patty Rose

Sheila Ruhland

James Walker

Blaine Wolfe

1. Welcome/Call to order
2. Public Comment
3. WorkForce Central Executive Board update – Eric Hahn
4. Consent Agenda
 - Approve July 21, 2016 minutes
 - Approve August 18, 2016 minutes
5. WIOA Core Partner Panel Presentation – DSHS James Helling, Administrator/Community Services Division, Region 3
6. CEO Report
 - Obligation rate report for PY15/FY16
 - Performance priorities and metrics mock report format
 - WA State Auditor's Office Audit
 - Geography of Jobs
7. WDC Committee Report Out
8. Other business
9. Adjourn
10. WDC members: Get to Know Each Other Exercise

WorkForce Central Staff

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Deborah, Howell, COO

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Jan Adams, Executive Assistant

jadams@workforce-central.org

WorkForce Central

3640 S. Cedar St. Suite E

Tacoma, WA 98409

www.workforce-central.org

Future meetings:

WDC Meeting – Eric Hahn, Chair	Oct 20	3:00-4:00
Business Services Committee – Dave Lawson, Chair	Sept 26	8:00-9:30
Youth & Young Adult Services Committee – April Gibson, Chair	Sept 27	9:30-11:30
Adult Services Committee – Robin Baker, Chair	Nov 2	2:30-4:30
One-Stop System Operator & Partner Committee – Ron Thalheimer, Chair	Oct 4	8:00-10:30
WDC Coordinating Committee – Eric Hahn, Chair	Oct 11	3:30-4:30
Work-Based Training Task Force – Tim Olsen, Chair	TBD	
Adult Literacy Task Force – Mike Johnson, Chair	As Needed	

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Attendees: Eric Hahn, Linda Nguyen, Michelle Burreson, Steve Gear, Darci Gibson, Bruce Kendall, Dale King, Dave Lawson, Tim Owens, Dona Ponepinto, Ron Thalheimer, Deborah Howell, Jan Adams

Guests: Deanne Woods, Boeing; Denis A., General Plastics

1. Welcome/Call to order

Eric called the meeting to order at 3:04 p.m.

Introduction of Steve Gear, VP of Bradken. Steve gave his background and a brief overview of Bradken.

2. Public Comment

Dale King gave a safety briefing for our new meeting space at Tacoma Rail.

3. WorkForce Central Executive Board update – Eric Hahn

Eric gave a brief update from this morning's meeting noting their acceptance from State Farm of \$10,000 for Career Link.

4. Consent Agenda

• **Approve May 19, 2016 minutes**

Motion to approve made by Dale; seconded by Michelle. Approved

5. WDC Local Priority Focus & Performance Measures

Eric gave a brief refresher on creation of the priority focus and performance measures. General discussion continued how to proceed.

6. CEO Report

• **4th Quarter Dashboard – Deborah Howell**

Deborah have an overview of the 4th quarter Dashboard noting we have exceeded most targets. One area we did not meet was the Customized Services, however that was expected as we had a change of focus due to the transition. She also noted we are still waiting for DOL to report their data. Ron asked hour the targets are set for the dashboard. Discussion continued on the targets and how they are determined. Bruce asked if we can share the companies and job types of the job applicant placements to promote the work and services that WorkForce Central does.

• **State Farm \$10,000 to support CareerLink**

Linda spoke about State Farm presenting WorkForce Central a check for \$10,000 to support CareerLink. She explained the CareerLink and how it works noting this is the third year State Farm has supported CareerLink.

• **Boots2Work Update**

Linda briefly noted the outcomes and successes from this year's Boots2Work event.

• **WTECB July 22 Special Meeting to approve Local WIOA Plans**

Linda explained the process that should lead up to the "substantial approval" of our WIOA Local Plan. She noted we will have changes that need to be made to the plan after the state adjusts their plan. Our plan will then be in place for four years.

- **Pierce County Council Presentation on Sector Reports – August 23rd**
Linda discussed the sector reports noting the six sectors include advanced manufacturing, IT/cyber security, transportation logistics, health care, military and construction. She noted the PC Council has invited her to come speak about these reports.
- **PCAT Progress Update**
Eric gave a background on NCAT and explained the current status of Pierce Center for Arts & Technology. He noted PLU is exciting about partnering with us and is moving their bookstore back on campus to allow us to use the building for the center. They will also be paying the rent for the first year. Linda noted a few of the thirteen current board members include Dale King, Tim Owens, Eric Hahn (board chair), and Linda Nguyen (board secretary). Bruce asked if this was a WDC project. Linda clarified it isn't a WDC or WorkForce Central project, but several of the members were interested in the project and the work.
- **WFC Transition Update**
Linda gave a brief background on the decision and current progress including the selection of service providers. ResCare for Youth Services and Business Services. Career Path Services for Adult and Dislocated Worker services. Linda praised her team for the great work they have done during the transition noting the focus is on customer service.
- **Final WIOA Regulations issued June 30th**
Linda discussed the 2700 page WIOA regulations and the review by everyone that needs to happen so we ensure compliance.
- **PY14/FY15 ESD Final Monitoring Report**
Linda noted the outcome from the report: "The monitoring team determined that WorkForce Central was compliant with all required federal and state regulations, laws and policies for the areas reviewed. WorkForce Central is appropriately implementing all of the WIOA youth program elements. The monitoring team observed a strong sense of camaraderie between WorkForce Central staff and their contractors resulting in services that provided benefits to the employers and job seekers in their region. WorkForce Central management, staff and contractors were knowledgeable and very helpful to the monitors."

7. **WDC Committee Report Out**

Dale noted the Youth & Young Adult committee didn't meet in June, but he did meet with April to return leadership to her after her absence, which will take effect at the next meeting.

Ron noted the One-stop has several items to work on and discusses Sally Perkins facilitation of their team.

8. **Other business**

Bruce wanted it to go on record the phenomenal job Linda and her team have done working through the transition and commend her on her leadership through a difficult time.

9. **Adjourn**

Motion to adjourn made by Tim; seconded by Darci. Adjourned at 3:55 p.m.

Eric Hahn, Chair
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Ron Thalheimer, 2nd Vice-chair

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WorkForce Central
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Attendees: Eric Hahn, Dale King, April Gibson, Steve Gear, Linda Nguyen, Ellie Chambers
Grady, Deborah Howell, Jan Adams, Brandon Gilley
On Phone/Video Conference: Ron Thalheimer, Joyce Conner

1. Welcome/Call to order
Eric called the meeting to order at 3:28 p.m.
2. Public Comment
None
3. WorkForce Central Executive Board update – Eric Hahn
No August meeting
4. Consent Agenda
 - Approve July 21, 2016 minutes
No action taken – Quorum not achieved.
5. WIOA Core Partner Panel Presentation – ABE – Linda Nguyen
Linda gave an overview and presentation on the Adult Basic Education program.
6. Workforce Innovation Funds Job Seeker and Employer success story
Brandon Gilley introduced a video from Lamar Ball who participated in the WIF program with Associated Ministries, DSHS and Workforce Central.
7. CEO Report
 - PY15/FY16 Q4 dashboard follow up on total placements under Title 1
Linda and Ellie discussed the companies served and how we achieved the results for Business Services. Discussion continued around the services offered and how businesses were helped
8. WDC Committee Report Out
Ron noted the One-Stop committee is working on a roadmap for their work. Linda complimented Ron in his leadership of the group.
April noted the Youth & Young Adult committee is working on FASFA completion rates and at the next meeting Kelly Goodsell will be presenting.
9. Other business
None
10. Adjourn
Meeting adjourned at 4:10 p.m.
11. Networking
Networking opportunities were discussed.

WorkForce Central

PY15/FY16 Expenditure / Obligation Progression

Q4 - 6/30/16 Actual as of 07/31/16

ADULT					
	\$ Grant	\$ Expended	\$ Obligated	Total	% Obligated
Q1 September 30, 2015 Report	1,635,740	51,706	707,210	758,916	46%
Q2 December 31, 2015 Report		544,959	645,292	1,190,251	73%
Q3 March 31, 2016 Report		937,627	473,150	1,410,777	86%
Q4 June 30, 2016 Report		1,635,389	1,506,701	3,142,090	192%

DW					
	\$ Grant	\$ Expended	\$ Obligated	Total	% Obligated
Q1 September 30, 2015 Report	2,224,972	-	561,706	561,706	25%
Q2 December 31, 2015 Report		57	863,674	863,731	39%
Q3 March 31, 2016 Report		561,423	710,351	1,271,774	57%
Q4 June 30, 2016 Report		1,266,912	1,686,020	2,952,932	133%

YOUTH					
	\$ Grant	\$ Expended	\$ Obligated	Total	% Obligated
Q1 September 30, 2015 Report	1,717,130	-	622,864	622,864	36%
Q2 December 31, 2015 Report		134,074	1,208,889	1,342,963	78%
Q3 March 31, 2016 Report		901,636	514,582	1,416,218	82%
Q4 June 30, 2016 Report		1,543,828	1,106,998	2,650,826	154%

Pierce County Workforce Network Performance Priorities and Metrics

What matters and how we know we are doing a good job?

	Workforce System Performance	Measurement Method
Priority 1	Increase the number of jobs filled during the measurement period. a. Intentionally target job seekers who have exhausted UI benefits recently or will exhaust soon b. Intentionally target people receiving SSD and SSI	• Use Wanted Analytics to show quarter over quarter change in number of job listings by sectors, careers and employers. See if we can determine whether jobs fill within 90 days. • Benchmark the number of discouraged job seekers and track the number who achieve employment – define discouraged as those who have exhausted UI benefits recently or will exhaust soon. Use ESD Unemployment Insurance and Taxes data. Need to find out how to measure SSD and SSI customers – need to define discouraged with this population • <i>This is a reference number only that we do not need to track:</i> Decrease in unemployment rate – monthly reports generated by Employment Security Department, Bureau of Labor Statistics. Report to show trend.
Priority 2	Decrease the number of high school drop outs; increase the number re-engaged drop outs; increase the number of high school diploma/or equivalent attainment by young adults and adults.	• Compare benchmarked dropout rate and diploma attainment (78.7% on time graduation rate for 2014) for Pierce County high schools and track strategies and improvements – For 2016, 133,247 students enrolled in K-12 system – of which 40,928 are enrolled in 9th – 12th grades. Use OSPI data for graduation and drop-out rates; survey K-12 professionals to identify strategies impacting this measure. • Benchmark and track number of young adults under 21 years of age re-engaged into secondary education; are we re-engaging more than the number dropping out? Use OSPI data • This is a reference number only that we do not need to track: Compare benchmarked rate of working age adults age 25 years and older without a high school diploma or equivalent to current rate - According to the 2010-2014 American Community Survey of 533,690 people, 34,689 did not have a high school diploma or equivalent – measure annually – use the Census American Community Survey. http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t; also use the State Board for Community and Technical College Adult Basic Education data
Priority 3	Increase in the number of residents receiving postsecondary education recognition (certificate, AA, BA, journey level)	• Benchmark the number and type of certificates/AA/BA/journey level credentials that are awarded and track to see if the numbers increase annually. Compare to see how these tie to demand sectors and careers. Get data from WA State Board for Community and Technical Colleges (Oct 2016 will have 2015/2016 data - Darbi) and from WA Student Achievement Council (Lexi) L&I for journey level apprenticeship awards.

**Pierce County Workforce
Network Performance Dashboard – PY16 / FY17** (July 1, 2016 – June 30, 2017)

Workforce System Performance		Measurement	Q1	Q2	Q3	Q4
Priority 1	Increase the number of jobs filled	Construction	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
		Transportation, Warehousing & Logistics	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
		Healthcare	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
		Advanced Manufacturing	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
		ICT & Cybersecurity	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
		Military & Defense	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed	xx/listings xx/placed
	Benchmark and track number who have achieved employment	Discouraged job seekers				
		• UI Benefits exhausted/or soon to exhaust				
		• SSD or SSI				
Priority 2	Track Unemployment Rate	Unemployment Rate				
	Decrease number of high school dropouts	Dropout rate				
	Increase number re-engaged dropouts	Dropouts re-engaged				
	Increase the number of high school diploma/or equivalent attainment	Diploma attainment				
Priority 3	Increase number receiving postsecondary education recognition	Certificate				
		• Construction				
		• Transportation, Warehousing & Logistics				
		• Healthcare				
		• Advanced Manufacturing				
		• ICT & Cybersecurity				
		• Military & Defense				
		AA				
		• Construction				
		• Transportation, Warehousing & Logistics				
		• Healthcare				
		• Advanced Manufacturing				
		• ICT & Cybersecurity				
		• Military & Defense				
		BA				
		• Construction				
		• Transportation, Warehousing & Logistics				
		• Healthcare				
		• Advanced Manufacturing				
		• ICT & Cybersecurity				
		• Military & Defense				
		MA				
		• Construction				
		• Transportation, Warehousing & Logistics				
		• Healthcare				
		• Advanced Manufacturing				
		• ICT & Cybersecurity				
		• Military & Defense				
		Journey Level				
		• Construction				
		• Transportation, Warehousing & Logistics				
		• Healthcare				
		• Advanced Manufacturing				
		• ICT & Cybersecurity				
		• Military & Defense				



Washington State Auditor's Office

Government that works for citizens

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Exit Conference: WorkForce Central

About our Office

The Washington State Auditor's Office's vision is government that works for citizens. Our goal is for government that works better, costs less and earns greater public trust.

The purpose of this meeting is to share our audit results and draft reporting. We value and appreciate your participation.

Audit Highlights

- We would like to thank staff for their cooperation and timely response to our requests during the audit.
- We would like to thank staff for their support during the federal grant compliance audit. The federal grant audit work was extensive and required contact with multiple staff.
- We appreciate the Consortium remaining patient throughout the course of the audit and congratulate them on ensuring compliance with grant requirements as well as the implementation of new accounting standards.

Audit Scope

We performed the following audits:

- **Financial statement audit for 2015** See draft report.
- **Federal grant compliance audit for 2015** See draft report.

Financial Statement required communications

In relation to our report, we would like to bring to your attention:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/saoportal/Login.aspx>

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$32,550 and based on the conclusion of these two audits, we anticipate actual audit costs will approximate that amount.

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2017 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit based on current rates is \$27,900 (based on 300 audit hours) plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

Tacoma-Pierce County Employment and Training Consortium (WorkForce Central)

For the period January 1, 2015 through December 31, 2015

Published

Report No.





Washington State Auditor's Office

Issue Date – (Issued by OS)

Executive Board

WorkForce Central

Tacoma, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the WorkForce Central's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Consortium's financial condition.

Sincerely,

Signature Here (Please do not remove this line)

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

PRELIMINARY DRAFT - Not Disclosable Under RCW 42.56.280

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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WorkForce Central

Pierce County

January 1, 2015 through December 31, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the WorkForce Central are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities and each major fund in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Consortium.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Consortium’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs:

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants
17.283	Workforce Innovation Fund

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Consortium qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**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**

I-1

WorkForce Central

Pierce County

January 1, 2015 through December 31, 2015

Executive Board
WorkForce Central
Tacoma, Washington

We have audited, 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 financial statements of the governmental activities and each major fund of the WorkForce Central, Pierce County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements, and have issued our report thereon dated September 9, 2016. As discussed in Note 1 to the financial statements, during the year ended December 31, 2015, the Consortium implemented Governmental Accounting Standards Board *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Consortium'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 Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium'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 Consortium'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 Consortium's financial statements are free from material misstatement, we performed tests of the Consortium's 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 Consortium'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 Consortium's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR

OLYMPIA, WA

September 9, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

S-2

WorkForce Central

Pierce County

January 1, 2015 through December 31, 2015

Executive Board
WorkForce Central
Tacoma, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the WorkForce Central, Pierce County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Consortium's major federal programs for the year ended December 31, 2015. The Consortium's major federal programs are identified in 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 the Consortium'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 the Consortium'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. Our audit does not provide a legal determination on the Consortium's compliance.

Opinion on Each Major Federal Program

In our opinion, the Consortium 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 December 31, 2015.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Consortium 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 Consortium's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order 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 Consortium'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 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.

Purpose of this Report

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

September 9, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

F-1

WorkForce Central

Pierce County

January 1, 2015 through December 31, 2015

Executive Board
WorkForce Central
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund of the WorkForce Central, Pierce County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed on page { }.

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 opinions 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 Consortium'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 Consortium'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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the WorkForce Central, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2015, the Consortium adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages [page # to be inserted by OS] through [page # to be inserted by OS] and budgetary comparison information on pages [page # inserted by OS] through [page # inserted by OS] be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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* (Uniform Guidance). This schedule is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2016 on our consideration of the Consortium'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 the Consortium's internal control over financial reporting and compliance.

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TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

September 9, 2016

FINANCIAL SECTION

**WorkForce Central
Pierce County
January 1, 2015 through December 31, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2015

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2015

Statement of Activities – 2015

Balance Sheet – Governmental Funds – 2015

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position – 2015

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2015

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – 2015

Notes to Financial Statements – 2015

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Information – General Fund – 2015

Schedule of Proportionate Share of Net Pension Liability PERS 1 – 2015

Schedule of Proportionate Share of Net Pension Liability PERS 2/3 – 2015

Schedule of Employer Contributions PERS 1– 2015

Schedule of Employer Contributions PERS 2/3– 2015

Notes to Required Supplementary Information - Pensions

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2015

Notes to the Schedule of Expenditures of Federal Awards – 2015