

**CENTRAL FLORIDA REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE CENTRAL FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Central Florida Regional Workforce Development Board, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Central Florida Regional Workforce Development Board, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2020, on our consideration of the Organization'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 Organization's internal control over financial reporting and compliance.

February 3, 2020

FINANCIAL STATEMENTS

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Current assets:

Cash	\$ 2,236,223
Grant receivable	1,716,689
Other receivables	154,826
Prepaid expenses and other current assets	<u>400,564</u>
Total current assets	<u>4,508,302</u>

Property and equipment:

Leasehold improvements	2,039,577
Software	1,340,164
Data processing equipment	738,594
Vehicles	<u>43,670</u>
Total Property and equipment	4,162,005
Less accumulated depreciation	<u>(3,891,224)</u>
Property and equipment, net	<u>270,781</u>

Deposits	<u>138,334</u>
Total assets	<u>\$ 4,917,417</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued expenses	\$ 1,370,870
Accrued compensation	976,040
Grant advances	64,211
Deferred rent	<u>26,003</u>
Total current liabilities	2,437,124

Net assets without donor restrictions	2,480,293
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Total liabilities and net assets	<u>\$ 4,917,417</u>
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See notes to financial statements

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenues:	
Federal financial assistance	\$ 29,925,229
Contributions and other revenue	375,916
Interest income	3,853
Total revenues	<u>30,304,998</u>
Expenses:	
Program services	28,006,674
Management and general	<u>2,234,735</u>
Total expenses	<u>30,241,409</u>
Change in net assets	63,589
Net assets, beginning of year	<u>2,416,704</u>
Net assets, end of year	<u><u>\$ 2,480,293</u></u>

See notes to financial statements

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Cash flows from operating activities:	
Change in net assets	\$ 63,589
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	99,824
Change in operating assets and liabilities:	
(Increase)/Decrease in:	
Grants and other receivables	(149,075)
Prepaid expenses and other current assets	96,230
Deposits	4,500
Increase/(Decrease) in:	
Accounts payable and accrued expenses	128,005
Accrued compensation	32,917
Grant advances	(936,352)
Deferred rent	(42,131)
Net cash from/(used in) operating activities	<u>(702,493)</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(165,483)</u>
Net cash from/(used in) investing activities	<u>(165,483)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(867,976)
Cash and cash equivalents, Beginning of year	<u>3,104,199</u>
Cash and cash equivalents, End of year	<u><u>\$ 2,236,223</u></u>

See notes to financial statements

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - NATURE OF THE ORGANIZATION

Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") was established on September 12, 1996 as a nonprofit organization to promote and enhance productive employment of individuals in the Florida counties of Orange, Seminole, Osceola, Lake and Sumter (Region 12). The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996 consistent with the provisions of job training, job placement and benefit services to the citizens of the five counties. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations.

The Organization is the grant recipient and grant administrator for the following grants in Region 12:

Welfare Transition Services (WTS)

WTS programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

Workforce Innovation and Opportunity Act (WIOA)

WIOA programs provide youth, unskilled adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers.

Wagner-Peyser

Wagner-Peyser programs are designed to improve the functioning of the nation's labor markets by bringing together individuals who are seeking employment and employers who are seeking workers.

Supplemental Nutrition Assistance Program (SNAP)

SNAP programs provide matching grants for administrative operating costs of the Supplemental Nutrition Assistance Program.

Disabled Veterans Outreach Program (DVOP)

The DVOP program is designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

Local Veterans Employment Representative Program (LVER)

The LVER program provides job development, placement and support services directly to veterans.

Unemployment Insurance (UI)

The UI grant provides funds to administer the program of unemployment insurance for eligible workers through Federal and State cooperation.

Trade Adjustment Assistance (TAA)

The TAA grant provides funding for the individuals who have lost jobs due to the export of those jobs.

Temporary Assistance for Needy Families (TANF)

TANF provides cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services.

H-1B Job Training Grants

The H-1B Job Training Grant Program funds projects that provide training and related activities to workers to assist them in gaining the skills and competencies needed to obtain or upgrade employment in high-growth industries or economic sectors. Over time, these education and training programs will help businesses reduce their use of skilled foreign professionals permitted to work in the U.S. on a temporary basis under the H-1B visa program.

NOTE 1 - NATURE OF THE ORGANIZATION (Continued)

Youthbuild

The Youthbuild program combines educational, leadership, mentoring and hands-on work experience components to train youth in the construction industry fields.

National Emergency Grants – Hurricanes Irma and Maria

The purpose of the National Emergency Grant program is to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events.

Apprenticeship USA

The purposes for the apprenticeship USA grants are to make registered apprenticeship a mainstream education and career pathway option, to support integrated, 21st Century statewide apprenticeship strategies that promote and scale apprenticeships, and to develop and utilize state strategies that offer innovative approaches to significantly increase apprenticeship opportunities for all American workers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation- The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All of the net assets of the Organization are classified as net assets without donor restrictions and are not subject to donor imposed restrictions.

Cash Equivalents- For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition- Federal financial assistance revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received.

Functional Expenses and Cost Allocations- The costs of providing the various programs and other activities have been detailed in the schedule of functional expenses in the notes to the financial statements and summarized on a functional basis in the combining statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided based on an approved cost allocation plan. These costs are allocated based on client information, staffing, and other applicable statistics. Indirect costs are allocated to all programs under a negotiated indirect cost rate.

Property and Equipment- Property and equipment is stated at cost and are defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 9 years. Leasehold improvements are amortized over the shorter of the estimated useful life or the term of the lease.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds from the sale of the assets therefrom, is subject to applicable regulations.

Deferred Rent- The Organization leases certain facilities under lease agreements that provide for rent abatement and escalating rental payments. Minimum base rent for these leases is recorded on a straight line basis over the term of the lease and rent expense in excess of amounts paid is recorded as a deferred rent liability and amortized as a reduction in rent expense over the term of the lease.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes- The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code.

Concentration of Credit Risk- The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of year-end, the Organization had a balance of \$2,438,395 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments- The respective carrying values of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, grants and other receivables, accounts payable and accrued expenses, accrued compensation, and grant advances.

Subsequent Events- The Organization has evaluated events and transactions occurring subsequent to June 30, 2019 as of February 3, 2020, which is the date the financial statements were available to be issued. Subsequent events occurring after February 3, 2020 have not been evaluated by management. No material events have occurred since June 30, 2019 that require recognition or disclosure in the financial statements.

New Accounting Pronouncement - During fiscal year 2019, the Organization adopted the following new accounting pronouncement:

ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

NOTE 3 –LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2019, the following reflects the Organization’s financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2019:

Financial assets at year end:	
Cash	\$ 2,236,223
Grant receivable	1,716,689
Other receivables	<u>154,826</u>
Financial assets available to meet	
cash needs within one year	<u>\$ 4,107,738</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has the ability to make weekly cash draws against Florida Department of Economic Opportunity awards to support general program expenditures.

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consist of the following due in less than one year as of June 30, 2019:

<u>Program</u>	<u>Amount</u>
WIOA Adult	\$ 11,252
WIOA Youth	245,787
WIOA Dislocated Worker	586,188
WIOA Governer's Challenge	81,693
National Emergency- Hurricane Maria	486,777
Trade Adjustment Assistance	27,944
Supplemental Nutrition Assistance Program	53,573
Reemployment and Eligibility Assessments	161,918
Disabled Veterans' Outreach Program	36,328
Local Veterans' Employer Representative Program	25,229
Grants receivable	<u><u>\$ 1,716,689</u></u>

NOTE 5 – GRANT ADVANCES

Grant advances represent the excess of grant funds received over allowable costs incurred. Grant advances as of June 30, 2019 consist of the following:

<u>Program</u>	<u>Amount</u>
Trade Adjustment Assistance	\$ 6,335
Wagner Peyser	7,066
WIOA - Call center - pathways to prosperity	6,585
WIOA - Integrated services pilot project	9,814
Apprenticeship USA	34,411
Grant advances	<u><u>\$ 64,211</u></u>

NOTE 6 – LEASES

The Organization leases its corporate offices, one-stop centers and office equipment under operating leases, which expire at various dates from July 2019 through March 2022, including renewal options. Generally, the facility leases contain escalation clauses providing for annual increases in the monthly rents. The Organization is also obligated to pay a proportional share of the insurance, repairs, taxes and maintenance costs for the leased office space.

The following is a schedule, by year, of approximate future minimum lease payments required under operating leases that have initial or remaining lease terms in excess of one year:

<u>Year ending June 30,</u>	<u>Total</u>
2020	\$ 756,023
2021	573,356
2022	139,733
Total	<u><u>\$ 1,469,112</u></u>

Rent expense for the year ended June 30, 2019 was \$1,469,607.

NOTE 7 – RETIREMENT PLAN

The Organization maintains a retirement plan in accordance with Section 403(b) of the Internal Revenue Code for all employees who have completed six months of service. Under the terms of the plan, the Organization makes contributions to the plan each year for each eligible employee in an amount equal to 100% of the employee's elective deferral, the total not to exceed 6% of eligible employees' annual salary. Total contributions by the Organization for the year ended June 30, 2019 were \$401,494.

NOTE 8 – CONTINGENCIES

Federal Grants and Questionable Costs

The Organization's operations are funded by grants through contracts from federal government agencies which are passed through the Florida Department of Economic Opportunity ("DEO") f/k/a Florida Agency for Workforce Innovation ("AWI"). The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

Litigation

The Organization is party to various claims and legal actions arising in the ordinary course of business. Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Organization.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Organization recorded \$1,652,602 of tuition and other fees to entities that had employees on the Board of Directors during the year ended June 30, 2019.

NOTE 10 – SCHEDULE OF EXPENSES BY FUNCTION AND NATURE

Expenses by function and nature for the fiscal year ended June 30, 2019 were as follows:

	Program Services	Management and General	Total
Salaries, benefits and payroll taxes	\$ 11,403,001	\$ 1,502,380	\$ 12,905,381
Career and youth services	11,332,794	-	11,332,794
Professional services	1,110,214	369,731	1,479,945
Outreach	445,847	56,399	502,246
Facilities, maintenance, and technology	3,333,710	266,638	3,600,348
Subrecipients	285,881	-	285,881
Staff development and capacity building	95,227	39,587	134,814
	<u>\$ 28,006,674</u>	<u>\$ 2,234,735</u>	<u>\$ 30,241,409</u>

SUPPLEMENTARY INFORMATION

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title/Grant Number</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
United States Department of Agriculture:			
Passed through the State of Florida Department of Economic Opportunity:			
Supplemental Nutrition Assistance Program	10.561	\$ -	\$ 844,928
Total United States Department of Agriculture		<u>-</u>	<u>844,928</u>
United States Department of Labor:			
Passed through Seminole State College			
H1-B Job Training Grants - Training for Manufactured Construction (TRAMCON) Consortium	17.268	-	15,000
Passed through Brevard County Workforce Development Board			
H1-B Job Training Grants - America's Promise Job Driven Grant Program	17.268	-	294,784
Passed through Valencia State College:			
Youthbuild	17.274	-	98,487
Passed through the State of Florida Department of Economic Opportunity			
Employment Services Cluster			
Wagner Peysar	17.207	-	2,362,927
Disabled Veterans' Outreach Program	17.801	-	193,511
Local Veterans' Employer Representative Program	17.804	-	140,333
Total Employment Services Cluster		<u>-</u>	<u>2,696,771</u>
Unemployment Compensation Program	17.225	-	107,653
Reemployment and Eligibility Assessments	17.225	-	524,456
		<u>-</u>	<u>632,109</u>
Trade Adjustment Assistance	17.245	-	142,486
National Emergency - Hurricane Irma	17.277	-	24,395
National Emergency - Hurricane Maria	17.286	-	1,799,020
Apprenticeship USA State Expansion	17.285	-	65,589
WIOA Cluster			
WIOA Adult	17.258	47,399	7,839,985
WIOA Youth	17.259	233,648	6,015,205
WIOA Dislocated Worker	17.278	-	1,564,858
Total WIOA Cluster		<u>281,047</u>	<u>15,420,048</u>
Total United States Department of Labor		<u>281,047</u>	<u>21,188,689</u>

(Continued)

See notes to schedule of expenditures of federal awards

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title/Grant Number</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
United States Department of Health and Human Services:			
Passed through the State of Florida Department of Economic Opportunity:			
Temporary Assistance for Needy Families (TANF)	93.558	4,834	7,891,612
Total United States Department of Health and Human Services		<u>4,834</u>	<u>7,891,612</u>
Total Expenditures of Federal Awards		<u>\$ 285,881</u>	<u>\$ 29,925,229</u>

See notes to schedule of expenditures of federal awards

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

All of the Organization's federal awards were in the form of cash assistance for the year ended June 30, 2019.

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 expenditure are not allowable or are limited as to reimbursement.

NOTE B – RECONCILIATION OF FINANCIAL RECORDS TO THE SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION ("SERA")

The year-to-date grant expenditure totals reported in the Organization's financial statements are reconciled to SERA report totals. Differences between the amounts reported in the Organization's financial records and the reported totals in SERA occur frequently, since other costs from invoices received after the date of SERA reports may be recognized in the financial statements in accordance with the Organization's normal month-end closing procedures.

NOTE C – INDIRECT COST RATE

The Organization did not elect to use the 10 percent *de minimis* indirect cost rate.

OTHER REPORTS



**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**

Board of Directors
Central Florida Regional Workforce Development Board, Inc.
Orlando, Florida

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 Central Florida Regional Workforce Development Board, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 3, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management, Board of Directors, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

February 3, 2020



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

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
Orlando, Florida

Report on Compliance for Each Major Federal Program

We have audited Central Florida Regional Workforce Development Board, Inc.'s (a nonprofit organization) (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fiscal year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Organization 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 fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization 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 Organization'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 Organization'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.

February 3, 2020

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Central Florida Regional Workforce Development Board, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Central Florida Regional Workforce Development Board, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for each major federal awards program of Central Florida Regional Workforce Development Board, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for Central Florida Regional Workforce Development Board, Inc.
7. Dollar threshold for Type A programs was \$897,394. The programs tested as major programs include:

<u>Federal Program</u>	<u>CFDA No.</u>
National Emergency- Hurricane Maria Evacuees	17.286
Temporary Assistance for Needy Families (TANF)	93.558

8. Central Florida Regional Workforce Development Board, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs.

No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.