

**CITRUS, LEVY, MARION REGIONAL  
WORKFORCE DEVELOPMENT BOARD, INC.**

**D/B/A CAREERSOURCE  
CITRUS LEVY MARION**

**Financial Statements, Supplemental  
Information and Independent  
Auditors' Reports**

**For the Fiscal Year Ended June 30, 2018**

**CITRUS, LEVY, MARION REGIONAL  
WORKFORCE DEVELOPMENT BOARD, INC.**

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Information and Independent  
Auditors' Reports**

**For the Fiscal Year Ended June 30, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
Ocala, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Board), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### ***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.

### ***Auditors' 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 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of the Board as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters—Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 5 - 8) and budgetary comparison information (page 22) 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.

### ***Other Matters—Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the 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*, 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 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 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2019, on our consideration of the Board'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 the 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 Board's internal control over financial reporting and compliance.



**POWELL & JONES**  
**Certified Public Accountants**  
**January 4, 2019**

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2018**

This discussion and analysis of the financial performance of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Board) provides an overview of financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

The following are various financial highlights:

- Overall net position increased by \$46,182 which is about 20%.
- Unrestricted net position at June 30, 2018, was \$277,589.
- The Board incurred total expenses for the year of about \$6,583,512, compared to revenues of approximately \$6,629,694.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. These basic statements consist of government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present an overall picture of the Organization's financial position and results of operations. The fund financial statements present financial information for the General Fund of the Organization. The notes to the financial statements provide additional information concerning the Organization's finances that are not disclosed in the government-wide or fund financial statements.

**Government-Wide Financial Statements and Governmental Fund Financial Statements** - All of the activities of the Organization are considered to be governmental activities. The Organization has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

The *government-wide financial statements* provide both long-term and short-term information about the overall financial status of the Organization. These statements use a format similar to a private sector business and are presented on the accrual basis. They include a statement of net position and a statement of activities.

The first financial statement is the *Statement of Net Position*. This government-wide financial statement includes long-term information such as capital assets and long-term liabilities, if any. The amounts in this statement are accounted for using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position, the difference between these assets and liabilities, is a useful way to measure the financial health of the Organization.

The second financial statement is the *Statement of Activities*. This statement includes all of the revenues and expenses of the Organization and reconciles beginning and ending net position.

- This government-wide financial statement includes all of the current year revenues and expenses, regardless of when cash is received or paid. The amounts in this statement are accounted for using the accrual basis of accounting as discussed above. Over time, the increases or decreases in net position are useful indicators of whether the financial health of the Organization is improving or deteriorating. However, other non-financial factors, such as changes in population and in federal funding, must also be considered when assessing the overall health of the Board.

The *governmental fund financial statements* provide information on the current assets and liabilities of the General Fund, changes in current financial resources (revenues and expenditures) and current available resources.

- The *General Fund Balance Sheet* focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the year. The amounts are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position.
- The *General Fund Statement of Revenues, Expenditures and Changes in Fund Balance* focuses on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the year. These amounts are accounted for using modified accrual accounting, as discussed above.

## CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position:

<b>Net Position</b>	<b>2018 Governmental Activities</b>	<b>2017 Governmental Activities</b>
<b>Assets:</b>		
Non-capital assets	\$ 1,584,054	\$ 1,190,403
Capital assets, net	5,232	37,686
<b>Total assets</b>	<b>1,589,286</b>	<b>1,228,089</b>
<b>Liabilities:</b>		
Current liabilities	333,669	274,136
Non-current liabilities	972,796	717,314
<b>Total liabilities</b>	<b>1,306,465</b>	<b>991,450</b>
<b>Net assets:</b>		
Net investment in capital assets	5,232	37,686
Unrestricted	277,589	198,953
<b>Total net position</b>	<b>\$ 282,821</b>	<b>\$ 236,639</b>

<b>Change in Net Position</b>	<b>2018 Governmental Activities</b>	<b>2017 Governmental Activities</b>
General revenues:		
Governmental grants and contributions	\$ 6,470,273	\$ 6,518,504
Other revenues	159,421	121,830
Total revenues	<u>6,629,694</u>	<u>6,640,334</u>
Program expenses:		
Administration and general	1,057,380	1,217,302
Client services:		
Direct	4,464,712	4,337,576
Contract providers	1,028,966	969,506
Depreciation	32,454	45,684
Total expenses	<u>6,583,512</u>	<u>6,570,068</u>
Change in net position	46,182	70,266
Beginning net position	236,639	166,373
Ending net position	<u>\$ 282,821</u>	<u>\$ 236,639</u>

## OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Governmental Activities

The governmental activities generated program income of \$158,712, interest income of \$709 and grant and contribution revenue of \$6,470,273. The Organization incurred \$6,583,512 of program expenses. This resulted in an increase in net position of \$46,182. This is expected since the Organization is funded almost exclusively from cost reimbursement government grants.

### General Fund

The fund balance of the General Fund has increased by \$74,309, from \$420,409 to \$484,718. This change is due to budgetary management and the fact that almost all of the operations of the Organization are funded by grantors. There is an assignment of fund balance for an accrued leave liability of \$217,129 and a non-spendable balance of \$6,986 for deposits. Unassigned fund balance was \$270,603.

## BUDGETARY HIGHLIGHTS

**General Fund.** The original budget was based on funding projections and included all funds expected to be available. During the year the budget is amended as funding commitments are received. Finally, the final budget is adjusted for estimates of amounts to be carried forward to subsequent years.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Organization had no significant capital asset activity for the fiscal year ended June 30, 2018. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Organization's capital asset activity.

### **Debt Administration**

The Organization's only long-term debt is its accrual for compensated absences. Please refer to a note to the accompanying financial statements entitled *Long Term Liabilities* for more detailed information about long-term debt activity.

### **ECONOMIC FACTORS**

The Organization currently is not aware of any conditions that are expected to have a significant effect on the Organization's financial position or results of operations.

### **CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the finances of the Organization and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Susan Heller, Vice President of Finance, Citrus, Levy, Marion Regional Workforce Development Board, Inc., 3003 SW College Road, Suite 107, Ocala, FL 34474.



**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**STATEMENT OF NET POSITION**

**JUNE 30, 2018**

<b>Assets:</b>	
Cash	\$ 612,670
Grants Receivable	957,710
Accounts Receivable	6,688
Deposits	6,986
Property and Equipment	470,271
Less: Accumulated Depreciation	<u>(465,039)</u>
<b>Total Assets</b>	<b><u><u>\$1,589,286</u></u></b>
<b>Liabilities:</b>	
Accounts Payable and Accrued Expenses	\$ 333,669
Deferred Revenue	755,667
Accrued Compensated Absences	<u>217,129</u>
<b>Total Liabilities</b>	<b><u><u>1,306,465</u></u></b>
<b>Net Position:</b>	
Net Investment in Capital Assets	5,232
Unrestricted	<u>277,589</u>
<b>Total Net Position</b>	<b><u><u>\$ 282,821</u></u></b>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Expenses		Program Revenue		Net (Expenses) Revenue and Changes in Net Position
	Direct	Indirect	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Economic environment					
Jobs training and placement	\$ 5,526,132	\$ 1,057,380	\$ 6,470,273	\$ -	\$ (113,239)
Total governmental activities	<u>\$ 5,526,132</u>	<u>\$ 1,057,380</u>	<u>\$ 6,470,273</u>	<u>\$ -</u>	<u>\$ (113,239)</u>
				General revenue:	
				Interest	709
				Other	158,712
				Total general revenue	<u>159,421</u>
				Changes in net position	46,182
				Net position, beginning of year	236,639
				Net position, end of year	<u>\$ 282,821</u>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**GOVERNMENTAL FUND  
BALANCE SHEET  
JUNE 30, 2018**

<b>Assets:</b>	<u>General Fund</u>
Cash	\$ 612,670
Grants Receivable	957,710
Accounts Receivable	6,688
Deposits	<u>6,986</u>
<b>Total Assets</b>	<u><u>\$1,584,054</u></u>
 <b>Liabilities:</b>	
Accounts Payable and Accrued Expenses	\$ 333,669
Deferred Revenue	<u>755,667</u>
<b>Total Liabilities</b>	<u><u>1,089,336</u></u>
 <b>Fund Balance:</b>	
Non-spendable - Deposits	6,986
Assigned - Compensated Absences	217,129
Unassigned	<u>270,603</u>
<b>Total Fund Balance</b>	494,718
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,232
 Long-term liabilities are not due and payable in the current period and , therefore, are not reported in the funds.	<u>(217,129)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 282,821</u></u>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General Fund
<b>Revenues:</b>	
Grants and contributions	\$ 6,470,273
Other Income	158,712
Interest Income	709
<b>Total Revenues</b>	<b>6,629,694</b>
 <b>Expenses/Expenditures:</b>	
<b>Indirect</b>	
Administrative	488,850
General	568,530
Direct Services	4,469,039
Contracted Provider	1,028,966
<b>Total Expenses/Expenditures</b>	<b>6,555,385</b>
 <b>Total Change in Fund Balance</b>	 74,309
<b>Fund Balance, July 1, 2017</b>	<b>420,409</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$ 494,718</b>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Amounts reported for governmental activities are different because:

Net change in fund balance - governmental fund	\$ 74,309
The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(32,454)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the decrease in accrued compensated absences for the current period.	4,327
Change in net position of governmental activities	<u>\$ 46,182</u>

See Notes to Financial Statements.

**CITRUS, LEVY MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) was incorporated as a nonprofit Organization on June 17, 1996; under the provisions of the Florida Not-For-Profit Organization Act set forth in Chapter 617, Florida Statutes. The Organization exists as a result of the passage of the Workforce Florida Act of 1996, as subsequently amended, and the Inter-local Agreement establishing the Citrus, Levy, Marion Workforce Development Consortium. The Organization has been determined to be a special district within the meaning of the Uniform Special District Accountability Act of the laws of the State of Florida. The Organization is a special-purpose government.

The purpose of the Organization is to fulfill those duties and responsibilities provided for by the Workforce Innovation and Opportunity Act, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Balanced Budget Act of 1997 and the Workforce Florida Act of 1996, as amended; consistent with the provisions of job training, job placement and benefit services to the citizens of Citrus, Levy and Marion Counties, Florida.

The governing board of the Organization is the Board of Directors. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Organization (the primary government unit) and its component units. There were no entities that required inclusion as a component unit within the Organization's financial statements.

**Basis of Presentation**

The basic financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB).

**Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, expenditures related to compensated absences are recorded only when payment is due.

The Organization uses the following fund type - the General Fund. This fund is the Organization's only operating fund. It is used to account for all revenues and expenditures applicable to the general operations of the Organization. The fund is charged with all costs of operations.

### **Budgets and Budgetary Process**

The Board of Directors adopts an annual operating budget, which can be amended by the Organization throughout the year. The budget is adopted using the same basis of accounting that is used to reflect actual revenues and expenditures.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the Statement of Activities. Certain costs are allocated to the various programs and supporting services of the Organization based on the Cost Allocation Plan submitted to and approved by the U.S. Department of Labor. Costs that are directly related to the Organization's specific purposes have been recorded as direct expense and included as program services. Costs which are directly shared have been allocated among programs and supporting services based upon personnel activity reports or another allocation base which reflects the proportionate share of the benefits received. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the U.S. Department of Labor.

### **Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No portion of receivables has been estimated as uncollectible by the Organization. All receivables are considered fully collectible.

### **Fund Balance**

Governmental funds report separate classifications of fund balance.

**Non-Spendable.** The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted.** The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed.** Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Organization's Board of Directors.

**Assigned.** Assigned fund balance is defined as amounts that are constrained by the Organization's Board of Directors' intent to be used for specific purposes, but are neither restricted nor committed. The Organization has given the authority to assign fund balance to the Executive Director. Assigned fund balance includes spendable fund balance amounts established by the Executive Director that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Executive Director. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

**Unassigned.** Unassigned fund balance is the residual classification for the general fund.

It is the policy of the Organization that they will use restricted resources to the extent that they are available, then committed resources, followed by assigned resources. Once these are consumed, the Organization will then use unassigned resources. The Organization does not have a formal policy requiring a minimum fund balance.

### **Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during that reported period. Actual results could differ from those estimates.

### **Property and Equipment**

Property and equipment acquired are recorded as expenditures in governmental funds and are stated at cost in the government-wide statements. Property and equipment are defined by the Organization as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Depreciation has been recorded using the straight-line method over estimated useful lives of 3 to 20 years as follows:

<u>Assets</u>	<u>Years</u>
Office Equipment	7
Miscellaneous Equipment	20
Data Processing Equipment	3 - 15

### **Pension Plan**

The provision for pension cost is recorded on an annual basis. The Organization's policy is to fund pension costs as they accrue. See Note 5.



## **Cash**

The Organization pools cash resources of its various programs to facilitate the management of cash. Cash applicable to a particular program is readily identifiable. The balance in the pooled cash accounts is held at a bank that is a member of the State of Florida pool for pledging securities against fund deposits and is available to meet current operating requirements. As a result, the Organization has no need for a policy regarding deposit custodial credit risk.

## **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as "non-spendable" in the fund financial statements to indicate that prepaid amounts do not represent available expendable resources.

## **Vacation, Sick Leave, and Other Compensated Absences**

The Organization's employees are entitled to certain compensated absences based on length of employment and other factors. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. Compensated absences are accrued at June 30, 2018, in the amount of \$217,129. See Note 4.

## **Post Employment Healthcare Benefits**

The Organization does not provide post employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Organization.

## **Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

Cash, Accounts Receivable and Accounts payable – Carrying amount approximates fair value due to the short maturity of these financial instruments.

## **NOTE 2. GOVERNMENT-WIDE VS. FUND FINANCIAL STATEMENTS**

**Governmental Fund Balance Sheet to Statement of Net Position** - Amounts reported for Governmental activities in the Statement of Net Assets are different because:

**Capital assets** - Capital assets used in governmental activities are not reported in the governmental funds.

Cost of capital assets	\$	470,271
Accumulated depreciation		(465,039)
	\$	<u>5,232</u>

**Long-term liabilities** - Long-term liabilities are not reported in the governmental funds.

Compensated absences	\$ 217,129
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**Governmental Fund Revenues, Expenditures and Changes in Fund Balance to Statement of Activities** - Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation expense	\$ (32,454)
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A decrease in compensated absences liability increases net position, but has no effect on fund balance.

Current year net decrease in compensated absences	\$ 4,327
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**NOTE 3. CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets being depreciated:				
Office equipment	\$ 34,600	\$ -	\$ -	\$ 34,600
Miscellaneous equipment	300,672	-	-	300,672
Data processing equipment	134,999	-	-	134,999
Total capital assets being depreciated	470,271	-	-	470,271
Accumulated depreciation:				
Office equipment	34,600	-	-	34,600
Miscellaneous equipment	267,256	29,623	-	296,879
Data processing equipment	130,729	2,831	-	133,560
Total accumulated depreciation	432,585	32,454	-	465,039
Net capital assets	\$ 37,686	\$ (32,454)	\$ -	\$ 5,232

#### NOTE 4. LONG-TERM LIABILITIES

Long-term liabilities consist of compensated absences:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Compensated absences	\$ 221,456	\$ -	\$ (4,327)	\$ 217,129

#### NOTE 5. PENSION PLAN

The Organization authorized the establishment of a defined contribution benefit plan as governed by Section 403(b) of the Internal Revenue Code. All employees 18 years or older are eligible to participate. Employees may contribute to the plan by entering into a salary reduction agreement with the Organization. The Organization shall determine on an annual basis, at its sole discretion, the amount of employer contributions to be made to the plan for each plan year. Employee participants shall at all times have a fully vested and non-forfeitable interest in their account. The plan is administered by the Variable Annuity Life Insurance Company (Valic). The following is a schedule of contributions to the plan for the last three years.

Year Ended June 30	Organization Contributed	Employees Contributed
2016	\$ 181,112	\$ 111,277
2017	\$ 176,913	\$ 135,973
2018	\$ 177,965	\$ 130,739

#### NOTE 6. OBLIGATION UNDER OPERATING LEASES

The Organization leases office space under contracts accounted for as operating leases. Total lease payments made during the period ended June 30, 2018, were \$281,273. Minimum future lease payments under these operating leases are as follows:

<u>For the Year Ended June 30</u>	
2019	\$ 285,440
2020	246,561
2021	249,715
2022	253,569
2023	257,423
2024	96,992
	<u>\$ 1,389,700</u>

**NOTE 7. SERA RECONCILIATION**

Reconciliations of the Organization's financial records to the expenditures reported in the Subrecipient Enterprise Resource Application (SERA) are required to be completed monthly by the Organization for all awards from the Department of Economic Opportunity (DEO). These reconciliations were completed as required, and the Organization's financial records are reconciled with the reported expenditures in SERA for the year ended June 30, 2018.

**NOTE 8. COMMITMENTS, CONTINGENCIES, AND CLAIMS**

The Organization receives substantially all of its support through federal and state funding. A significant reduction in the level of this support, if this were to occur, would have an effect on the Organization's programs and activities.

Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Board and Management deems the contingency remote.

**NOTE 9. RISK MANAGEMENT**

The Organization is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the Organization has purchased commercial insurance. Settled claims resulting from these risks have not materially exceeded commercial coverage in the current and previous three years.

**NOTE 10. FAIR VALUE MEASUREMENTS**

At June 30, 2018, the Organization had no assets or liabilities subject to disclosure of fair value measurements as to valuation levels hierarchy per Financial Accounting Standards Board Statement No. 157.

**NOTE 11. RELATED PARTY BALANCES AND TRANSACTIONS**

The Board has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Board of Directors, to carry out its training programs. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures

require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of the individual participant.

**NOTE 12. INCOME TAXES**

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a nonprofit corporation. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2018, 2017 and 2016 are subject to review and adjustment by the Internal Revenue Service. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2018. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions.

**NOTE 13. SUBSEQUENT EVENTS**

The Workforce Board has evaluated events and transactions for potential recognition of disclosure in the financial statements through February 12, 2019, the date that the audit report was available to be issued. No subsequent events have been recognized or disclosed.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Grants and contributions	\$ 7,773,491	\$ 8,909,534	\$ 6,470,273	\$ (2,439,261)
Other Income	-	-	158,712	158,712
Interest Income	-	-	709	709
<b>Total Revenues</b>	<u>7,773,491</u>	<u>8,909,534</u>	<u>6,629,694</u>	<u>(2,279,840)</u>
<b>Expenses/Expenditures</b>				
Indirect				
Administrative	673,012	668,733	488,850	179,883
General	678,617	544,192	568,530	(24,338)
Client Services				
Direct Services	5,439,397	6,595,390	4,469,039	2,126,351
Contracted Provider	982,465	1,101,219	1,028,966	72,253
<b>Total Expenses/Expenditures</b>	<u>7,773,491</u>	<u>8,909,534</u>	<u>6,555,385</u>	<u>2,354,149</u>
Excess of Revenues over Expenditures	-	-	74,309	74,309
Fund Balance, July 1, 2017	420,409	420,409	420,409	-
<b>Fund Balance, June 30, 2018</b>	<u>\$ 420,409</u>	<u>\$ 420,409</u>	<u>\$ 494,718</u>	<u>\$ 74,309</u>

See notes to Required Supplementary Information.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2018**

**A. Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

The Organization generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

1. Prior to June 30, the Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Board.
3. After public hearings and necessary revisions have been completed, the budget is approved.
4. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**B. Excess of Appropriations Over Expenditures**

Appropriations were greater than expenditures in the General Fund.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended June 30, 2018**

<u>Federal Grantor/Program Title</u>	<u>Contract Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through the Florida Department of Economic Opportunity			
Supplemental Nutrition Assistance Program	FSH17	10.561	\$ 45,875
Supplemental Nutrition Assistance Program	FSH18	10.561	119,302
Total U.S. Department of Agriculture			<u>165,177</u>
<b><u>U.S. Department of Labor:</u></b>			
Youthbuild	YB-31044-17-60-A-12	17.274	<u>120,914</u>
Passed through the Florida Department of Economic Opportunity			
Workforce Innovation and Opportunity Act (WIOA) Cluster:			
WIOA Adult	WIA17	17.258	2,186
WIOA Adult	WIA18	17.258	1,276,156
WIOA Performance Incentives	WIS17	17.258	54,452
WIOA Supplemental	WIS17	17.258	77,321
WIOA State Level Governor's Challenge	WIS18	17.258	50
WIOA Youth	WIY17	17.259	754,422
WIOA Youth	WIY18	17.259	444,444
WIOA Performance Incentives	WIS17	17.259	54,452
WIOA Supplemental	WIS17	17.259	77,321
WIOA State Level Governor's Challenge	WIS18	17.278	50
WIOA Dislocated Worker	WID17	17.278	426,261
WIOA Dislocated Worker	WID18	17.278	817,725
WIOA Performance Incentives	WIS17	17.278	66,746
WIOA Supplemental	WIS17	17.278	94,780
WIOA State Level Governor's Challenge	WIS18	17.278	52
WIOA State Level Rural Initiatives	WRS17	17.278	34,483
Total WIA Cluster			<u>4,180,901</u>
WIA National Emergency	WN5P5	17.277	<u>69,592</u>
National Dislocated Worker Grants Hurricane Maria	WNE18	17.286	<u>23,510</u>
Employment Services Cluster:			
Wagner Peyser	WPA17	17.207	75,000
Wagner Peyser	WPA18	17.207	94,581
Wagner Peyser - Performance Incentives	WPB16	17.207	118,700
Wagner Peyser Cooperative Outreach	WPB18	17.207	38,629
Disabled Veterans' Outreach Program	DVP17	17.801	3,490
Disabled Veterans' Outreach Program	DVP18	17.801	13,092
Total Employment Services Cluster			<u>343,492</u>
Homeless Veterans' Reintegration Program	FOA-VETS-17-01	17.805	<u>105,778</u>

(Continued)



**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended June 30, 2018**

<u>Federal Grantor/Program Title</u>	<u>Contract Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Labor:</u></b>			
Passed through the Florida Department of Economic Opportunity			
Unemployment Compensation:			
Reemployment and Eligibility Assessments	UCRE7	17.225	\$ 45,364
Reemployment and Eligibility Assessments	UCRE8	17.225	3,842
Unemployment Compensation	UCB17	17.225	6,038
Unemployment Compensation	UCB18	17.225	4,259
			<u>59,503</u>
Trade Adjustment Assistance:			
Trade Adjustment Assistance - Administration	TAA15	17.245	5,950
Trade Adjustment Assistance - Training	TAT15	17.245	20,970
Trade Adjustment Assistance - Case Management	TAC15	17.245	2,174
			<u>29,094</u>
Total U.S. Department of Labor			<u>4,932,784</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through the Florida Department of Economic Opportunity			
Welfare Transition	WTS17	93.558	405,578
Welfare Transition	WTS18	93.558	966,734
Total U.S. Department of Health and Human Services			<u>1,372,312</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 6,470,273</u></u>

**NOTE 1 – Basis of Presentation**

Expenditures included in this schedule are presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted for governmental organizations.

**NOTE 2 - Youthbuild Matching Requirement**

For the fiscal year ended June 30, 2018, the Organization had \$67,481 in matching expenditures bringing total Federal expenditures under the program to \$188,395.

**NOTE 3 - Amounts Paid to Subrecipients**

For the fiscal year ended June30, 2018, the Organization made payments to subrecipients for the following programs:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
Youthbuild	17.274	\$ 112,966
WIOA Youth	17.259	\$ 897,558
WIOA Adult	17.258	\$ 10,516
WIOA Dislocated Worker	17.278	\$ 7,926

**NOTE 4 - Indirect Cost Rate**

For the fiscal year ended June30, 2018, the Organization did not elect to use the 10 percent de Minimis indirect cost rate.

## MANAGEMENT LETTER

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
Ocala, Florida

We have audited the financial statements of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Organization) as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 4, 2019.

We conducted our audit 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; 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); and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Audit Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 4, 2019, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with:


- Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida.
- Special audit guidance provided by the Department of Economic Opportunity (DEO).

This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)l. *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. The special audit guidance provided by DEO requires disclosure in this management letter for those findings and observations not otherwise included in the aforementioned auditor's reports or schedule. In connection with our audit, we did not have any such findings, observations, or recommendations.

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements; or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Financial Reporting Entity under Note 1 to the financial statements. The Organization does not have any component units.
- Section 10.554(1)(i)6.a., *Rules of the Auditor General*, requires a statement to be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Organization did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., *Rules of the Auditor General* requires that we determine whether the annual financial report for the Organization for the fiscal year ended June 30, 2018, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended June 30, 2018. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), *Rules of the Auditor General* we applied financial condition assessment procedures. It is management's responsibility to monitor the Organization's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, management and the Board of Directors of the Organization, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL AND JONES, CPAs**  
January 4, 2019

**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  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
Ocala, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Organization) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated January 4, 2019.

**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 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.

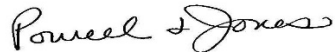
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 of 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.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES, CPAs**  
**January 4, 2019**

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

Board of Directors

Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
Ocala, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Organization) with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2018. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' 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 year ended June 30, 2018.

## 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 our auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 were not identified.

### Concluding Matters

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.



**POWELL & JONES, CPAs**  
**January 4, 2019**

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS**  
**For the Fiscal Year Ended June 30, 2018**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

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**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting	
• Material weakness(es) identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)	No

Identification of major programs:

<u>CFDA Number/Grant Number</u>	<u>Name of Program or Cluster</u>
17.258	<b>Workforce Innovation and Opportunity Act (WIOA) Cluster</b>
17.259	Adult
17.278	Youth
	Dislocated Worker

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

(Continued)



**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS**  
**For the Fiscal Year Ended June 30, 2018**  
**(Continued)**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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None

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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None

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**SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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None

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**SECTION V - OTHER**

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None



**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

1359 S.W. Main Blvd.  
Lake City, Florida 32025  
386 / 755-4200  
Fax: 386 / 719-5504  
admin@powellandjonescpa.com

## **Communication with Those Charged with Governance**

January 4, 2019

To the Board of Directors

Citrus, Levy, Marion Regional Workforce Development Board, Inc.

We have audited the financial statements of Citrus, Levy, Marion Regional Workforce Development Board, Inc. for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Citrus, Levy, Marion Regional Workforce Development Board, Inc. are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Citrus, Levy, Marion Regional Workforce Development Board, Inc.'s financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 4, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

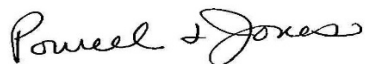
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee, Board of Directors and management of Citrus, Levy, Marion Regional Workforce Development Board, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones, CPAs  
January 4, 2019

## INDEPENDENT ACCOUNTANT'S REPORT


To the Governing Board  
Citrus, Levy, Marion Regional Workforce Development Board Inc.

We have examined Citrus, Levy, Marion Regional Workforce Development Board Inc.'s compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended June 30, 2018. Management is responsible for Citrus, Levy, Marion Regional Workforce Development Board Inc.'s compliance with those requirements. Our responsibility is to express an opinion on the Organization's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Organization's compliance with specified requirements.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2018.

This report is intended solely for the information and use of the Organization and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
Certified Public Accountants  
January 4, 2019