

# 2019

Citrus, Levy, Marion Regional Workforce Development  
Board, Inc. D/B/A CareerSource Citrus Levy Marion

## Financial Statements

For Fiscal Year Ended June 30, 2019

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

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

**FINANCIAL STATEMENTS, SUPPLEMENTAL  
INFORMATION AND  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**TABLE OF CONTENTS**

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b> .....	1-3
<b>Management's Discussion and Analysis (MD&amp;A)</b> .....	4-7
<b>Basic Financial Statements</b>	
Statement of Net Position .....	8
Statement of Activities .....	9
Governmental Fund Balance Sheet .....	10
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance .....	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities .....	12
Notes to Financial Statements .....	13-19
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	20
Notes to the Required Supplementary Information .....	21

**COMPLIANCE SECTION**

Schedule of Expenditures of Federal Awards .....	22-23
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 <i>Government Auditing Standards</i> .....	24-25
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i> .....	26-27
Schedule of Findings and Questioned Costs .....	28-29
Independent Accountant's Report .....	30
Management Letter .....	31-33

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

### **Report of the Financial Statements**

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 Organization), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization'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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

CERTIFIED PUBLIC ACCOUNTANTS

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando*

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA.*

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Organization as of June 30, 2019, 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 the management's discussion and analysis (pages 4-7) and budgetary comparison information (page 20) 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 (GASB), 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 March 11, 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 solely to describe the scope of our testing of internal control over

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT**

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



March 11, 2020  
Ocala, Florida

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

This discussion and analysis of the financial performance of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) provides an overview of financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

The following are various financial highlights in the Statement of Net Position:

- Overall net position decreased by \$15,616.
- Unrestricted net position at June 30, 2019, was \$257,338.
- The Organization incurred total expenses for the year of about \$7,079,421, compared to revenues of \$7,063,805.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. These basic financial 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*—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. 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 Organization.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

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>Net Position</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Non-Capital Assets	\$ 1,768,992	\$ 1,584,054
Capital Assets, Net	9,868	5,232
<b>Total Assets</b>	<b>1,778,860</b>	<b>1,589,286</b>
<b>Liabilities</b>		
Current Liabilities	1,256,381	333,669
Non-Current Liabilities	255,273	972,796
<b>Total Liabilities</b>	<b>1,511,654</b>	<b>1,306,465</b>
<b>Net Assets</b>		
Net Investment in Capital Assets	9,868	5,232
Unrestricted	257,338	277,588
<b>Total Net Position</b>	<b>\$ 267,206</b>	<b>\$ 282,820</b>



**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

	<b>Changes in Net Position</b>	
	<b>2019</b>	<b>2018</b>
<b>Changes in Net Position</b>		
<b>Program Revenues</b>		
Governmental Grants and Contributions	\$ 6,972,012	\$ 6,470,273
Other Revenues	91,793	159,421
<b>Total Revenues</b>	7,063,805	6,629,694
<b>Program Expenses</b>		
Administration and Program	1,107,819	1,057,380
Client Services:		
Direct and Contractor Provided	5,969,103	5,493,679
Depreciation	2,499	32,454
<b>Total Expenses</b>	7,079,421	6,583,513
<b>Changes in Net Position</b>	(15,616)	46,181
<b>Beginning Net Position</b>	282,820	236,639
<b>Ending Net Position</b>	\$ 267,204	\$ 282,820

**OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Governmental Activities**

The governmental activities generated \$6,972,012 in program revenues, \$91,793 of general revenues, and incurred \$7,079,421 of program expenses. This resulted in a decrease in net position of \$15,616.

**General Fund**

The fund balance of the General Fund has increased by \$17,892 from \$494,718 to \$512,610. 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 \$255,273 and a non-spendable balance of \$50,147 for deposits and prepaid items. Unassigned fund balance was \$207,190.

**BUDGETARY HIGHLIGHTS**

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

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Organization added data processing equipment for \$7,135, which was capitalized during the current fiscal year. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Organization's capital assets activity.

**Debt Administration**

The Organization's only long-term debt is its accrual for compensated absences. Please refer to a note in 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.

## **FINANCIAL STATEMENTS**

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 756,027
Grants Receivable	951,987
Accounts Receivable	10,831
Prepaid Items and Deposits	50,147
Capital Assets, Net	9,868
<b>Total Assets</b>	<u>1,778,860</u>
 <b>Liabilities</b>	
Account Payable and Accrued Expenses	223,927
Accrued Wages and Related Payroll Expenses	136,837
Unearned Revenue	895,617
Accrued Compensated Absences - Long-Term	255,273
<b>Total Liabilities</b>	<u>1,511,654</u>
 <b>Net Position:</b>	
Investment in Capital Assets	9,868
Unrestricted	257,338
<b>Total Net Position</b>	<u>\$ 267,206</u>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Functions/Programs</b>	<b>Program Expenses</b>		<b>Program Revenue</b>		<b>Net (Expenses) Revenue and Changes in Net Position</b>
	<b>Direct</b>	<b>Indirect</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities</b>					
Economic Environment					
Job Training and Placement	\$ 7,079,421	\$ -	\$ 6,972,012	\$ -	\$ (107,409)
<b>Total Governmental Activities</b>	<b>\$ 7,079,421</b>	<b>\$ -</b>	<b>\$ 6,972,012</b>	<b>\$ -</b>	<b>(107,409)</b>
			<b>General Revenues</b>		
				Interest	1,579
				Program Income	90,214
				<b>Total General Revenues</b>	<b>91,793</b>
				<b>Change in Net Position</b>	<b>(15,616)</b>
				<b>Net Position, Beginning of Year</b>	<b>282,822</b>
				<b>Net Position, End of Year</b>	<b>\$ 267,206</b>

See notes to financial statements.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2019**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 756,027
Grants Receivable	951,987
Accounts Receivable	10,831
Prepaid Items and Deposits	50,147
<b>Total Assets</b>	<b>1,768,992</b>
 <b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	223,928
Accrued Wages and Related Payroll Expenses	136,837
Unearned Revenue	895,617
<b>Total Liabilities</b>	<b>1,256,382</b>
 <b>Fund Balance</b>	
Non-Spendable - Prepaid Items and Deposits	50,147
Assigned - Compensated Absences	255,273
Unassigned	207,190
<b>Total Fund Balance</b>	<b>512,610</b>
 <b>Total Liabilities and Fund Balance</b>	<b>\$ 1,768,992</b>
 Amounts reported for governmental activities because 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.	9,869
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds - compensated absences.	(255,273)
 <b>Net Position of Governmental Activities</b>	<b>\$ 267,206</b>

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 YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Grants	\$ 6,918,510
Program Income	90,214
Contributions	53,502
Interest	1,579
<b>Total Revenues</b>	<b>7,063,805</b>
<b>Expenditures</b>	
Indirect:	
Administrative	514,742
General	593,077
Direct Services and Contracted Provided	5,938,094
<b>(Total Expenditures)</b>	<b>7,045,913</b>
<b>Net Change in Fund Balances</b>	17,892
<b>Fund Balances, Beginning of Year</b>	494,718
<b>Fund Balances, End of Year</b>	<b>\$ 512,610</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 GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

**Amounts Reported for Governmental Activities are Different Because:**

Net Change in Fund Balance - Government Fund	\$	17,892
--	----	--------

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.

Capital Outlay		7,136
Depreciation		(2,500)

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 increase in accrued compensation absences for the current period.		(38,144)
---	--	----------

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(15,616)</b>
--	-----------	-----------------

See notes to financial statements.



**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**Financial Reporting Entity**

The Organization was incorporated as a non-profit 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 (the 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 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 expenses 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.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Budgets and Budgetary Process**

The Board 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.

■ **Assigned**

Assigned fund balance is defined as amounts that are constrained by the Organization's Boards' 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.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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:

Assets	Years
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.

**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.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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, 2019, in the amount of \$255,273.

**Postemployment Healthcare Benefits**

The Organization does not provide postemployment 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	\$ 465,652
Accumulated Depreciation	<u>(455,783)</u>
	<u>\$ 9,869</u>

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

Compensated Absences	<u>\$ 255,273</u>
----------------------	-------------------

**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	<u>\$ 2,499</u>
-----------------------------------	-----------------

A decrease in compensated absences liability increases net position, but has no effect on fund balance.

Current Year Net Increase in Compensation Absences	<u>\$ 38,144</u>
--	------------------

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additons	Deletions	Ending Balance
Capital Assets Being Depreciated:				
Office Equipment	\$ 34,600	\$ -	\$ -	\$ 34,600
Miscellaneous Equipment	300,672	-	-	300,672
Data Processing Equipment	134,999	7,136	(11,755)	130,380
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 470,271</b>	<b>\$ 7,136</b>	<b>\$ (11,755)</b>	<b>\$ 465,652</b>
Office Equipment	\$ 34,600	\$ -	\$ -	\$ 34,600
Miscellaneous Equipment	296,879	348	-	297,227
Data Processing Equipment	133,560	2,152	(11,755)	123,957
Total Accululated Depreciation	465,039	2,500	(11,755)	455,784
<b>Total Capital Assets</b>	<b>\$ 5,232</b>	<b>\$ 4,636</b>	<b>\$ -</b>	<b>\$ 9,868</b>

**NOTE 4 - LONG-TERM LIABILITIES**

Long-term liabilities consist of compensated absences:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Compensated Absences	\$ 217,129	\$ 38,144	\$ -	\$ 255,273

**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 (IRC). 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
2017	\$ 176,913
2018	177,965
2019	189,301

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 - OBLIGATION UNDER OPERATING LEASES**

The Organization leases office space under contracts accounted for as operating leases. Total lease payments, net made during the period ended June 30, 2019, were \$268,221. Minimum future lease payments under these operating leases are as follows:

<u>Year Ended June 30,</u>	
2020	\$ 252,124
2021	292,077
2022	296,764
2023	301,467
2024	<u>252,187</u>
<b>Total</b>	<b>\$ <u>1,394,619</u></b>

**NOTE 7 - SERA RECONCILIATION**

Reconciliations of the Organization’s financial records to the expenditures reported in the sub-recipient 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, 2019.

**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 - RELATED-PARTY BALANCES AND TRANSACTIONS**

The Organization has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Board in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures required a two-thirds majority vote of the Board in favor with the related-party abstaining from the vote. Utilization of these training vendors is the decision of the individual participant.

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 - INCOME TAX REPORTING**

The Organization has been granted an exemption from income taxes under IRC, Section 501(c)(3) as a non-profit Organization. As required by Internal Revenue Service (IRS) regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the IRS. The returns for 2018, 2017, and 2016 are subject to review and adjustment by the IRS. 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, 2019. 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 12 - SUBSEQUENT EVENTS**

The Board has evaluated events and transactions for potential recognition of disclosure in the financial statements through March 11, 2020, the date that the audit report was available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**



**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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Funds</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Grants	\$ 7,722,238	\$ 7,344,699	\$ 6,918,510	\$ (426,189)
Program Income	-	-	90,214	90,214
Other Income	-	-	53,502	53,502
Interest Income	-	-	1,579	1,579
<b>Total Revenues</b>	<u>7,722,238</u>	<u>7,344,699</u>	<u>7,063,805</u>	<u>(280,894)</u>
<b>Expenditures</b>				
Indirect:				
Administrative	718,263	535,410	514,742	20,668
General	688,299	636,815	593,077	43,738
Client Services:				
Direct and Contracted Provided	6,315,676	6,172,474	5,938,094	234,380
<b>(Total Expenditures)</b>	<u>7,722,238</u>	<u>7,344,699</u>	<u>7,045,913</u>	<u>298,786</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>17,892</u>	<u>17,892</u>
<b>Fund Balances, Beginning of Year</b>	<u>494,718</u>	<u>494,718</u>	<u>494,718</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 494,718</u>	<u>\$ 494,718</u>	<u>\$ 512,610</u>	<u>\$ 17,892</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, 2019**

**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 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.

## **COMPLIANCE SECTION**

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

Federal Grantor/Pass-Through Grantor/Program Title	Contract Number	Federal CFDA Number	Federal Expenditures
<b>United States Department of Agriculture:</b>			
<i>Passed Through the Florida Department of Economic Opportunity</i>			
Supplemental Nutrition Assistance Program	FSH19	10.561	\$ 95,170
Supplemental Nutrition Assistance Program	FHS18	10.561	<u>70,754</u>
<b>Total U.S. Department of Agriculture</b>			<u>165,924</u>
<b>United States Department of Labor</b>			
<i>Passed Through the Florida Department of Economic Opportunity</i>			
Youthbuild	YB-31044-17-60-A-12	17.274	<u>213,014</u>
<b>Workforce Innovation and Opportunity Act (WIOA) Cluster</b>			
WIOA - Adult	WIA19	17.258	1,327,094
WIOA - Adult	WIA18	17.258	6,431
Governor's Challenge	WIS18	17.258	3,676
WIOA Supplemental	WIS18	17.258	128,245
WIOA State Level Governor's Challenge	WIS18	17.258	88,865
Sector Strategies	WIS19	17.258	34,544
Soft Skills	WIS19	17.258	37,284
Emerging Initiatives	WIS19	17.258	5,600
WIOA - Youth	WIY18	17.259	788,544
WIOA - Youth	WIY19	17.259	535,584
WIOA Dislocated Workers	WID19	17.278	936,450
WIOA Dislocated Workers	WID18	17.278	281,149
WIOA Performance Incentive	WIS17	17.278	329,601
WIOA Supplemental	WIS17	17.278	<u>31,171</u>
<b>Total WIOA Cluster</b>			<u>4,534,238</u>
WIOA National Emergency	WNM19	17.277	100,000
National Dislocated Workers Grants Hurricane Maria	WNE18	17.286	27,882
<b>Employment Services Cluster</b>			
Wagner Peyser	WPB17	17.207	15,164
Wagner Peyser	WPA18	17.207	161,360
Wagner Peyser - Performance Incentives	WPA19	17.207	57,362
Disabled Veterans' Outreach Program	DVP19	17.801	17,728
Disabled Veterans' Outreach Program	DVP18	17.801	<u>9,849</u>
<b>Total Employment Services Cluster</b>			<u>261,463</u>

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

Federal Grantor/Program Title	Contract Number	CFDA Number	Federal Expenditures
<i>Passed Through the Florida Department of Economic Opportunity</i>			
<b>Unemployment Compensation</b>			
Reemployment and Eligibility Assessments	UCRE8	17.225	\$ 47,034
Reemployment and Eligibility Assessments	UCR19	17.225	466
Reemployment Assistance Program	UCB19	17.225	20,979
Reemployment Assistance Program	UCB18	17.225	16,624
<b>Total Unemployment Compensation</b>			<u>85,103</u>
<b>Trade Adjustment Assistance</b>			
Trade Adjustment Assistance - Administration	TAc16	17.245	144
Trade Adjustment Assistance - Administration	TAC17	17.245	282
Trade Adjustment Assistance - Training	TAT17	17.245	1,770
Trade Adjustment Assistance - Case Management	TAC17	17.245	139
<b>Total Trade Adjustment Assistance</b>			<u>2,335</u>
<b>Total U.S. Department of Labor</b>			<u>5,224,035</u>
<b>U.S. Department of Health and Human Services</b>			
<i>Passed Through Florida Department of Economic Opportunity</i>			
Welfare Transition Program	WTS19	93.558	1,116,185
Welfare Transition Program	WTS18	93.558	402,898
<b>Total United States Department of Health and Human Services</b>			<u>1,519,083</u>
<b>Total Federal Expenditures</b>			<u>\$ 6,909,042</u>

**Note 1 - Youthbuild Matching Requirement**

For the fiscal year ended June 30, 2019, the Organization had \$53,502 in matching expenditures bringing total Federal expenditures under the program to \$266,606.

**Note 2 - Amounts Paid to Subrecipients**

Program	CFDA Number	Amount
Youthbuild	17.274	\$ 206,994
WIOA Youth	17.259	1,082,816
WIOA Adult	17.258	13,826
WIOA Dislocated Worker	17.278	10,617

**Note 3 - Indirect Cost Rate**

For the fiscal year ended June 30, 2019, the Organization did not elect to use the 10 percent de Minimis indirect cost rate.

**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  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
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 *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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 Organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated March 11, 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 opinions 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA.*

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

**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***

**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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 11, 2020  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

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

We have audited the Organization's compliance of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) 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 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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

CERTIFIED PUBLIC ACCOUNTANTS

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando*

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA.*



Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**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, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.



March 11, 2020  
Ocala, Florida

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTION COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**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

Non-compliance 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? No

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:

<b>CFDA Number</b>	<b>Name of Program</b>
93.558	Temporary Assistance for Needy Families (TANF)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

**CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTION COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

None

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

None

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

None

**SECTION V - OTHER**

None

## INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

We have examined of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) compliance with Section 218.415, Florida Statutes, with regards to the investments of public funds during the fiscal year ended June 30, 2019. Management is responsible for the Organization'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Organization complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about the Organization complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our decision.

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 fiscal year ended June 30, 2019.

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



March 11, 2020  
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando*

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA.*

## MANAGEMENT LETTER

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

### Report on the Financial Statements

We have audited the financial statements of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated March 11, 2020.

### Auditor's Responsibility

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 Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accounts Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 11, 2020, 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).

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA.*

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

## MANAGEMENT LETTER

### Prior Audit Findings

- 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 financial audit report. There were no findings or recommendations made in the preceding 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.

### Official Title and Legal Authority

- Section 10.554(1)(i)4., *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.

### Financial Condition and Management

- Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the Organization met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Organization. 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 review of financial information provided by same.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires use to communication 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Board of Directors  
Citrus, Levy, Marion Regional Workforce Development Board, Inc.  
d/b/a CareerSource Citrus Levy Marion  
Ocala, Florida

## MANAGEMENT LETTER

### **Purpose of this Letter**

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.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 11, 2020  
Ocala, Florida