



**Monday, February 5, 2018, 2:30 PM
Tele-Conference**

Conference Dial: 1-800-511-7985

Conference Code: 605-9608#

**CareerSource Tampa Bay/Hillsborough County
Audit Committee
Agenda**

- I. Welcome and Introductions**Darren Veneri, Chair

- II. Action/Discussion Items**
 - 1. Approval of Minutes – July 27, 2017 Audit Committee Meeting Page 2
 - 2. Approval of Annual Financial Audit for fiscal year ended June 30, 2017 Page 4
 - 3. Management Representation Letter Page 31

- III. Other Administrative Matters**
(Items of urgency not meeting the seven-day guideline for review)

- IV. Information Items**
 - 1. Communication with those Charged with Governance..... Page 36

- V. Public Comments**

- VI. Adjournment**



CareerSource Tampa Bay/Hillsborough County
Audit Committee Meeting

Date: July 26, 2017, 11:30 a.m.
Location: Tele-conference

Call to Order

Audit Chair Darren Veneri called the CareerSource Tampa Bay/Hillsborough County Audit Committee meeting to order at 11:30 a.m. There was a quorum present with the following Audit Committee members participating.

Directors in Attendance

Kenneth Jones, Commissioner Sandra Murman, Edward Peachey, Darren Veneri

Staff Present

Anna Munro, Mai Russell

Action/Discussion Items

Action Item 1 – Approval of Minutes

The minutes of March 10, 2017 Audit Committee meeting were presented for approval. There was no further discussion.

Motion: Commissioner Sandra Murman
Second: Edward Peachey

The minutes were approved as presented.
The motion carried.

Action Item 2 – Engagement Letter

A copy of the Audit Engagement Letter with Powell & Jones, CPAs was provided in the meeting packet. The engagement letter would serve as an agreement regarding the audit work to be done for fiscal year ended June 30, 2017.

Motion: Commissioner Sandra Murman
Second: Kenneth Jones

The Audit Committee approved executing the Audit Engagement Letter with Powell & Jones, CPAs.
The motion carried.

Other Administrative Matters

No item was brought forward for action.

Public Comments

There was none.

The meeting was adjourned at approximately 11:40 a.m.



Action Item 2

Annual Financial Audit For the Fiscal Year Ended June 30, 2017

Information

The audit firm of Powell & Jones has completed the annual financial audit of the accounting records and systems of Tampa Bay WorkForce Alliance, Inc. for the fiscal year ended June 30, 2017.

Enclosed is a copy of the audit report. Representatives from the firm will present the results to the Audit Committee.

Recommendation

Approval of the Annual Financial Audit for the fiscal year ended June 30, 2017.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Financial Statements, Supplemental Information and Regulatory Reports

June 30, 2017

(With Independent Auditor's Report Thereon)

DRAFT

TAMPA BAY WORKFORCE ALLIANCE, INC.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-16
Supplemental Information:	
Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
Regulatory Reports:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19-20
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	21-22
Schedule of Findings and Questioned Costs	23



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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tampa Bay Workforce Alliance, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tampa Bay Workforce Alliance, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tampa Bay Workforce Alliance, Inc., as of June 30, 2017 and the respective changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 12, 2018 on our consideration of the Organization's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

POWELL & JONES
Certified Public Accountants
January 12, 2018

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statement of Financial Position

Year Ended June 30, 2017

Assets

Current assets:

Cash	\$	144,713
Grants receivable		2,754,975
Accounts receivable		31,502
Prepaid expenses		<u>404,507</u>

Total current assets 3,335,697

Noncurrent assets:

Restricted cash		326,995
Property and equipment, net		<u>1,053,742</u>

Total noncurrent assets 1,380,737

Total assets \$ 4,716,434

Liabilities and Net Assets

Liabilities:

Accounts payable	\$	67,712
Contracts payable		129,611
Participants payable		880,845
Accrued expenses		699,786
Deferred grant revenue		1,020,230
Deferred revenue		<u>19,159</u>

Total liabilities 2,817,343

Net assets:

Unrestricted		<u>1,899,091</u>
--------------	--	------------------

Total liabilities and net assets \$ 4,716,434

See accompanying independent auditor's report and notes to financial statements.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statement of Activities

Year Ended June 30, 2017

Unrestricted revenues and support:		
Grants		
Federal	\$	20,089,685
Contribution and sponsorship		16,475
Other		<u>235,911</u>
Total Revenues		<u>20,342,071</u>
Expenses:		
Program services		
Workforce development		18,830,188
Supporting services		
General and administrative		<u>1,291,264</u>
Total Expenses		<u>20,121,452</u>
Changes in unrestricted net assets		220,619
Net assets at beginning of year		<u>1,678,472</u>
Net assets at end of year	\$	<u>1,899,091</u>

See accompanying independent auditor's report and notes to financial statements

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statement of Functional Expenses

Year Ended June 30, 2017

	<u>Workforce Development</u>	<u>General and Administrative</u>	<u>Totals</u>
Salaries	\$ 7,817,927	\$ 658,329	\$ 8,476,256
Retirement	349,212	29,485	378,697
Payroll taxes and fringe	581,209	49,101	630,310
Staff training and education	8,401	485	8,886
Accounting and professional	379,511	130,045	509,556
Community outreach	244,019	20,839	264,858
Communications	153,819	12,981	166,800
Office expenses	1,055,672	30,310	1,085,982
Licenses, dues and other fees	21,349	1,543	22,892
Other expenses	473	-	473
Occupancy	1,218,379	103,523	1,321,902
Travel	99,000	6,868	105,868
Meetings and conferences	38,945	959	39,904
Insurance	141,191	15,835	157,026
Service provider contracts	288,473	-	288,473
Customer training	6,432,608	-	6,432,608
Depreciation	-	230,961	230,961
Total expenses	<u>\$ 18,830,188</u>	<u>\$ 1,291,264</u>	<u>\$ 20,121,452</u>

See accompanying independent auditor's report and notes to financial statements

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statement of Cash Flows

Year Ended June 30, 2017

Cash flows from operating activities:	
Change in net assets	\$ 220,619
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	230,961
Changes in assets and liabilities:	
Increase in grants receivable	(1,916,677)
Increase in accounts receivable	(1,081)
Decrease in prepaid expenses	51,319
Decrease in accounts payable	(94,041)
Increase in contracts payable	78,908
Increase in participants payable	268,353
Increase in accrued expenses	264,064
Increase in deferred grant revenue	932,375
Increase in deferred revenue	19,159
Net cash provided by operating activities	<u>53,959</u>
Cash flows from investing activities:	
Acquisition of property and equipment	<u>(295,655)</u>
Net cash used in investing activities	<u>(295,655)</u>
Net decrease in cash	(241,696)
Cash, beginning of year	<u>713,404</u>
Cash, end of year	<u>\$ 471,708</u>

See accompanying independent auditor's report and notes to financial statements

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(1) **Nature of Organization and Purpose**

Effective February 10, 2014, Tampa Bay Workforce Alliance, Inc. (TBWA) began doing business as CareerSource Tampa Bay. The rebranding was in coordination with Florida's Workforce System to have a unified brand state-wide. The Tampa Bay Workforce Alliance, Inc. was organized on June 27, 2000, in Tampa, Florida, and created in accordance with the Florida Workforce Innovation Act of 2000 to serve as the administrative entity for programs of the Regional Workforce Board in Hillsborough County (the Board). This public-private partnership supports and promotes economic growth through workforce development. The Board consists of representative of education, labor, economic development, consists of representatives of education, labor, economic development, organizations identified as one stop partners, and other individuals as appointed by the Hillsborough County Board of County Commissioners. The Board is one of twenty-four Regional Workforce Development Boards in the State of Florida providing for the development, planning, monitoring and administration of the following grants and programs:

- Temporary Assistance for Needy Families
- National Emergency Grants
- Workforce Innovation and Opportunity Act
- Wagner Peyser
- Military Spouse
- Disabled Veterans Outreach Program
- Local Veterans Employment Representative Program
- Trade Adjustment Assistance
- Unemployment Insurance
- Supplemental Nutrition Assistance Program
- Reemployment Services and Eligibility Assessment
- H-1B Job Training (Tech Hire Partnership Grant)
- H-1B Technical Skills Training Grant
- Adult Education Grant

(2) **Summary of Significant Accounting Policies**

(a) **Basis of Accounting**

The financial statements of TBWA have been prepared using the accrual basis of accounting.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(2) **Summary of Significant Accounting Policies – Continued**

(b) **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, TBWA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ended June 30, 2017 TBWA's net assets were unrestricted.

(c) **Liquidity**

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities according to their nearness of their maturity and resulting use of cash

(d) **Cash and Cash Equivalents**

For purposes of reporting cash flows, all deposits with an original maturity of three months or less are considered to be cash equivalents. Cash designated to fund accrued paid time off is classified as restricted cash in the accompanying statement of financial position.

(e) **Accounts Receivable**

TBWA's accounts receivable mainly consist of amounts receivable from governments and governmental agencies for grants and appropriations. TBWA considers its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

(f) **Prepaid Expenses**

Prepaid expenses consist of prepaid insurance, rents, services and participant incentive cards. Incentive cards are Visa cards in various denominations. Unused incentive cards are recorded as prepaid expense. These incentive cards are used for providing support services to participants served by TBWA.

(g) **Property and Equipment**

Property and equipment are stated at cost, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is recognized over the estimated useful lives of the assets of three to seven years for property and equipment and fifteen years

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(2) **Summary of Significant Accounting Policies – Continued**

(g) **Property and Equipment - Continued**

for leasehold improvements, using the straight-line method. All expenditures for property less than \$5,000 are expensed when purchased.

In the event of disposal of property and equipment acquired through expenditures of federal funds, TBWA may be required to return the property and equipment to the funding source or obtain its approval to dispose of the property and equipment. Additionally, the proceeds from any disposal of property and equipment may be required to be refunded to the respective funding source.

(h) **Personal Time Off**

TBWA employees are entitled to personal time off (PTO) which combines time off for personal, vacation and sick leave. PTO is based on length of employment and other factors. PTO is accrued when earned. PTO of \$326,995 was included as a component of accrued expenses in the Statement of Financial Position at June 30, 2017.

(i) **Participants Payable**

TBWA provides eligible participants a forum for training in demand driven occupations through On-the-Job Training (OJT) and Occupational Skills Training (Individual Training Account – ITA). With an OJT, a local employer provides on-the-job training for a full-time salary or hourly position listed in TBWA's targeted occupation list. TBWA reimburses the employer for a fixed portion of the OJT training costs. ITA provides eligible participants a pre-established amount of funding to access approved training programs, provided by eligible training providers, in order to qualify for occupations that are in high demand in the local area and throughout the state. Costs associated with training services received but not paid of \$880,845 are accrued at June 30, 2017 and recorded as participant payable in the Statement of Financial Position.

(j) **Retirement Plan**

The provision for pension costs is recorded on an annual basis. Pension costs are funded as they accrue.

(k) **Income Taxes**

TBWA is a not-for-profit corporation under the laws of the State of Florida and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code provides for taxation of unrelated business income

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(2) **Summary of Significant Accounting Policies – Continued**

(k) **Income Taxes - Continued**

under certain circumstances. TBWA believes that it has no liability for taxes with respect to unrelated business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

TBWA follows Accounting Standards Codification Topic 740, *Income Taxes* (“ASC 740”). A component of this standard prescribes a recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities.

TBWA’s policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none were recognized since there was no material impact of the application of this standard for the year ended June 30, 2017. 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 2016, 2015 and 2014 are subject to review and adjustment by the Internal Revenue Service.

(l) **Revenue Recognition**

Revenues and the related expenses of cost-reimbursement grant programs are recognized as allowable costs are incurred. Federal grant advances are classified as deferred revenue until expended for the intended purpose. Grants receivable relates to support earned but not yet received from federal sources.

(m) **Federal Matching and Leveraged Contributions**

Certain Federal programs require cost sharing (match) or leveraged contributions as a condition of the grant award. This match or leveraged contributions may be cash, in-kind or a combination. The amount of qualifying contributions received during the fiscal year ended June 30, 2017 totaled \$560,166. These amounts are not recorded in the statement of activities as they do not meet the criteria for financial statement recognition.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(2) **Summary of Significant Accounting Policies – Continued**

(n) **Use of Estimates**

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

(o) **Financial Instruments Not Measured at Fair Value**

The Organization's financial instruments are not measured at fair value on a recurring basis; however, certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, grant receivables, prepaid expenses, accounts payable, accrued expenses and deferred revenue.

(p) **Functional Allocation of Expenses**

The cost of providing TBWA's various programs and other supporting services have been summarized on a functional basis in the statement of activities. Direct expenses are charged directly to the related program. Certain costs which are directly shared have been allocated to programs based upon the relative benefits received. Expenses that are not directly identifiable with a specific program are allocated as indirect costs to benefiting programs based upon de minimis indirect rate of 10-percent of modified total direct costs.

Supporting services in the statement of activities include expenses that have been allocated both directly and indirectly to the Organization's programs. Supporting services include planning, development, oversight and administrative functions of all programs, support services for the One Stop System including Information Technology, Management Information Systems, Facility Management, Community Outreach, and One Stop Staff training and development activities.

(q) **Advertising Expenses**

The Organization expenses Community Outreach costs as incurred. Community Outreach expense for the year ended June 30, 2017 totaled \$244,019.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(3) **Grants Receivable**

Grants receivable is comprised of the following federal awards at June 30, 2017:

Federal awards:

U.S. Department of Agriculture		
Supplemental Nutrition Assistance Program	\$	14,803
U.S. Department of Labor		
Employment Service Cluster		
Wagner Peyser		143,062
Military Spouse		5,434
Disabled Veterans Outreach Program		14,782
Local Veterans Employment Representative Program		6,332
Unemployment Insurance		6,429
Trade Adjustment Assistance		14,366
National Emergency - Sector Partnership		45,500
Job-Driven (JD) National Emergency Grant		14,400
Workforce Innovation and Opportunity Act (WIOA) Cluster		
WIOA Youth		20,817
WIOA Dislocated Worker		1,414,076
H-1B Job Training Grant (Tech Hire Partnership Grant)		99,790
U.S. Department of Health and Human Services		
Temporary Assistance for Needy Families		955,184
	\$	<u>2,754,975</u>

(4) **Property and Equipment**

Property and equipment consists of the following at June 30, 2017:

Equipment	\$	877,495
Software		19,782
Furniture		345,001
Leasehold improvements		<u>2,556,672</u>
Total cost		3,798,950
Accumulated depreciation		<u>2,745,208</u>
Property and equipment, net	\$	<u><u>1,053,742</u></u>

Depreciation expense for the year ended June 30, 2017 totaled \$230,961

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(5) Deferred Grant Revenue

Deferred grant revenue is comprised of the following federal awards at June 30, 2017:

Federal awards	
U.S. Department of Labor	
Workforce Innovation and Opportunity Act (WIOA) Cluster	
WIOA Adult	\$ 973,700
Reemployment Services and Eligibility Assessment	46,530
	<u>\$ 1,020,230</u>

(6) Commitments

(a) Facilities

TBWA leases a facility (Workforce Center) which houses various workforce programs from the Department of Economic Opportunity, an agency of the State of Florida. Pursuant to the original lease document the lease shall remain ongoing until cancelled by either party. The lessor or lessee shall have the right to terminate for any reason, without penalty, with one hundred eighty (180) days written notice. Lease payments were approximately \$839,500 for the year ending June 30, 2017. In addition, TBWA has entered into sublease arrangements with several of its service partners whereby the partners use office space in the Workforce Centers. The sublease agreements cover a one-year period and are renewable annually. TBWA received approximately \$51,000 in sublease payments for the year ending June 30, 2017.

TBWA entered into a lease agreement for a facility to house its administrative offices (Eisenhower) effective August 15, 2016. Lease payments were approximately

\$171,000 for the year ended June 30, 2017. The lease payments for the former administrative offices (Kennedy), which expired August 14, 2016, totaled approximately \$9,300 for the fiscal year ended June 30, 2017.

Finally, TBA has three additional locations for workforce services which comprise the remaining the rent expense. The total rent expense under the operating leases less sublease agreements were approximately \$1,300,000 for the year ended June 30, 2017.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(6) **Commitments - Continued**

(a) **Facilities - Continued**

Future minimum lease payments that have remaining terms in excess of one year as of June 30, 2017 are approximately:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 1,240,000
2019	407,000
2020	246,000
2021	219,000
2022	226,000
	<u>\$ 2,338,000</u>

(b) **Equipment**

TBWA entered into an operating lease for copiers and other office equipment. The minimum rental payments for the remaining fiscal years ending June 30, 2017 are approximately:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 41,500
2019	41,500
2020	36,800
2021	33,600
2022 and Thereafter	67,200
	<u>\$ 220,600</u>

(7) **Employment Benefits**

(a) **Retirement Plan**

TBWA employees are employees of WorkNet Pinellas, Inc. (WorkNet). WorkNet provides a 401(k) Plan (the Plan). The Plan may provide two types of employer contributions, a non-elective contribution (NEC) and a matching contribution to eligible participants. The NEC is provided to all eligible employees regardless if the employee contributes to the Plan and equals 5% of the employee's eligible earnings. The matching contribution is only provided to those employees who elect to contribute to the Plan. WorkNet elected to provide the NEC but not matching contributions. Employer contributions totaled \$378,696 for the year ended June 30, 2017.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(7) **Employment Benefits - Continued**

(b) **Benefit Stipend**

A benefit stipend is provided to eligible employees. The stipend equals 28% of the employee's eligible earnings. It is included as part of the employee's gross pay and paid twice a month over 24 pay periods. The stipend totaled \$1,587,183 for the year ended June 30, 2017.

(8) **Special Reporting Considerations**

As required, TBWA regularly reconciles its financial records to the One Stop Management Information System (OSMIS) which is maintained by the Florida Department of Economic Opportunity. The auditor's results indicated that the information was satisfactorily reconciled.

(9) **Concentration of Credit Risk**

TBWA maintains its cash with a financial institution. TBWA's deposits are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, TBWA has deposits which exceed the FDIC amount. Management does not anticipate nonperformance by the financial institution.

(10) **Grants**

Costs charged to federal programs under cost-reimbursement grants are subject to government audit. Therefore, all such costs are subject to adjustment. Management believes that adjustments, if any, would not have a significant effect on the financial statements. TBWA receives a substantial amount of its support from federal agencies through various grants. Any significant reduction in the level of this support could have an effect on TBWA's programs.

(11) **Legal Matters**

TBWA is involved in various legal actions that, in the opinion of management, will not have a significant effect on the financial position or results of operations of TBWA.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(12) Related Party Transactions

In accordance with applicable regulations, TBWA's Board of Directors includes representatives of private and public sector industries, with which board members are associated for the purpose of providing services to participants. Total payments for providing services to participants during the year ended June 30, 2017 were approximately \$155,000 and accounts payable at June 30, 2017 were approximately \$48,000.

(13) Subsequent Events

TBWA has evaluated subsequent events from the statement of financial position date January 12, 2018 the date the financial statements were available to be issued.

DRAFT

SUPPLEMENTAL INFORMATION

DRAFT

TAMPA BAY WORKFORCE ALLIANCE, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

<u>Federal/State Agency Pass-Through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount to Subrecipients</u>
U.S. Department of Agriculture				
Passed through the Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program	10.561	FSF17, FSH16, FSH17	\$ 714,526	-
Total U.S. Department of Agriculture			<u>714,526</u>	<u>-</u>
U.S. Department of Labor				
Passed through the Department of Economic Opportunity:				
Employment Service Cluster:				
Wagner Peysler	17.207	WPA16, WPA17	1,382,606	-
Military Spouse	17.207	WPB16	98,434	-
Disabled Veterans Outreach Program	17.801	DVP16, DVP17	282,508	-
Local Veterans Employment Representative Program	17.804	LVR16, LVR17	41,468	-
Subtotal Employment Service Cluster			<u>1,805,016</u>	<u>-</u>
Unemployment Insurance	17.225	UCB16, UCB17	108,586	-
Reemployment Services and Eligibility Assessment	17.225	UCRE6, UCRE7	526,589	-
Trade Adjustment Assistance	17.245	TAA14, TAA15, TAC14, TAC15, TAT14, TAT15	86,417	-
National Emergency - Sector Partnership	17.277	WN5P5	594,307	-
Job-Driven (JD) National Emergency Grant	17.277	WNJD5	330,598	-
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult	17.258	WIA16, WIA17, WIS16	1,648,370	-
WIOA Youth	17.259	WIY16, WIY17	4,001,474	-
WIOA Dislocated Worker	17.278	WID16, WID17	4,440,716	-
Subtotal WIOA Cluster			<u>10,090,560</u>	<u>-</u>
Subtotal Department of Economic Opportunity			<u>13,542,073</u>	<u>-</u>
H-1B Job Training Grant (Tech Hire Partnership Grant)	17.268	HG-29364-16-60-A-12	607,723	-
H-1B Technical Skills Training Grant	17.268	HG-22722-12-60-A-12	17,543	127,400
Subtotal Direct U.S. Department of Labor			<u>625,266</u>	<u>127,400</u>
Total U.S. Department of Labor			<u>14,167,339</u>	<u>127,400</u>
U.S. Department of Health and Human Services				
Passed through the Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	WTS16, WTS17	5,167,815	153,392
Total U.S. Department of Health and Human Services			<u>5,167,815</u>	<u>153,392</u>
U.S. Department of Education				
Passed through School Board of Hillsborough County				
Adult Education	84.002	None	40,005	-
Total U.S. Department of Health and Human Services			<u>40,005</u>	<u>-</u>
Total Federal Awards			<u>\$ 20,089,685</u>	<u>280,792</u>

See Notes to Schedule of Expenditures of Federal Awards

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of TBWA under programs of the federal government passed through the Department of Economic Opportunity for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of TBWA, it is not intended to and does not present the financial position, changes in net assets or cash flows of TBWA.

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Property and Equipment

Property and equipment of approximately \$296,000 was purchased using federal grant awards during fiscal year ending June 30, 2017. These amounts are included in the Schedule but excluded from the statement of activities as the amount has been capitalized for financial statement purposes and recorded as property and equipment on the statement of position.

(4) Match and Leveraged Contributions and Expenses

Cost sharing (match) or leveraged contributions is a requirement of certain Federal programs and may be fulfilled with in-kind or cash. In-kind match may be in the form of equipment, supplies, and other expendable property, donated time, and the value of goods and services that directly benefit and are specifically identifiable to the Federal program. Cash match may include cash provided for grant activities by WORKNET, salaries paid by employers providing incumbent worker training and cash received from partners. Match or leveraged contributions is not reported in the accompanying schedule of expenditures of federal awards as they do not represent amounts expended. Leveraged contributions of \$560,166 represents salaries paid by an employer providing incumbent worker training for the H-1B Job Training Grant (TechHire Partnership Grant).

(5) Indirect Cost Rate

TBWA elected to use the 10 percent de minimis indirect cost rate.

REGULATORY REPORTS

DRAFT

**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**

The Board of Directors
Tampa Bay Workforce Alliance, Inc.

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 Tampa Bay Workforce Alliance, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 12, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions

of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

POWELL & JONES
Certified Public Accountants
January 12, 2018

DRAFT

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

Board of Directors
Tampa Bay Workforce Alliance, Inc.

Report on Compliance for Each Major Federal Program

We have audited Tampa Bay Workforce Alliance, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tampa Bay Workforce Alliance, Inc.'s major federal programs for the fiscal year ended June 30, 2017. Tampa Bay Workforce Alliance, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tampa Bay Workforce Alliance, Inc.'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; the audit requirements or Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005. Those standards, the Uniform Guidance, and DEO 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 Tampa Bay Workforce Alliance, Inc.'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 Tampa Bay Workforce Alliance, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tampa Bay Workforce Alliance, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of Tampa Bay Workforce Alliance, Inc. 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 Tampa Bay Workforce Alliance, Inc.'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 Tampa Bay Workforce Alliance, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

POWELL & JONES
Certified Public Accountants
January 12, 2018

TAMPA BAY WORKFORCE ALLIANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 deficiency(ies) identified? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258	Workforce Innovation and Opportunity Act (WIOA) Cluster:
17.259	Adult Program
17.278	Youth Activities
17.277	Dislocated Worker Formula Grants
17.277	WIA/WIOA National Emergency Grants

Dollar threshold to distinguish between type A and type B Federal Programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

None



Action Item 3

Management Representation Letter

Powell & Jones CPA's

This representation letter is provided in connection with your audit of the financial statements of Tampa Bay WorkForce Alliance, Inc., which comprise the statements of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 12, 2018, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 28, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) Tampa Bay Workforce Alliance, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 23) We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 24) With respect to federal award programs:
 - a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), relating to preparation of the schedule of expenditures of federal awards.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of

the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and [have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards OR confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards].
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) [and OMB Circular A-122, Cost Principles for Nonprofit Organizations, and Subpart C, Cost Sharing and Matching, of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, if applicable].
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

25) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____

Title: _____



Information Item

Communication with Those Charged with Governance



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 31, 2018
To the Board of Directors
Tampa Bay Workforce Alliance, Inc.

We have audited the financial statements of Tampa Bay Workforce Alliance, Inc. for the year ended June 30, 2017. 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 Tampa Bay Workforce Alliance, 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 2017. 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 Tampa Bay Workforce Alliance, 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 12, 2018.

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

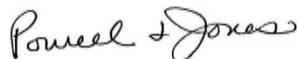
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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 Tampa Bay Workforce Alliance, 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 31, 2018