

TAMPA BAY WORKFORCE ALLIANCE, INC.

Financial Statements, Supplemental Information and Regulatory Reports

June 30, 2020 and 2019

(With Independent Auditor's Report Thereon)

TAMPA BAY WORKFORCE ALLIANCE, INC.

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INDEPENDENT AUDITORS' REPORT

To 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., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

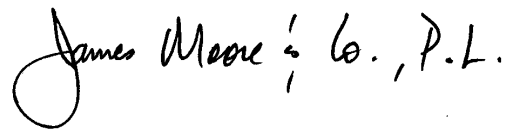
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit 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), 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021, on our consideration of Tampa Bay Workforce Alliance, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tampa Bay Workforce Alliance, Inc. internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, FL
January 21, 2021

TAMPA BAY WORKFORCE ALLIANCE, INC.
 Statements of Financial Position
 June 30, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and cash equivalents	\$ 1,157,266	\$ 2,241,041
Grants receivable	603,638	758,939
Accounts receivable	10,767	95,160
Prepaid expenses	520,865	296,711
Total current assets	2,292,536	3,391,851
Noncurrent assets:		
Board designated - restricted cash	408,734	318,111
Property and equipment, net	572,045	714,943
Total noncurrent assets	980,779	1,033,054
Total assets	\$ 3,273,315	\$ 4,424,905
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 109,466	\$ 127,692
Contracts payable	10,800	352,208
Participants payable	217,894	384,347
Related party payable	33,643	165,065
Accrued expenses	338,068	520,029
Accrued personal time off	408,734	318,111
Deferred grant revenue	893,385	1,074,392
Deferred revenue	-	3,221
Total current liabilities	2,011,990	2,945,065
Net assets:		
Without donor restrictions		
Operating	1,261,325	1,479,840
Total net assets	1,261,325	1,479,840
Total liabilities and net assets	\$ 3,273,315	\$ 4,424,905

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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Activities
Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions		
Grants		
Federal	\$ 15,431,614	\$ 16,697,950
Local	93,568	285,819
In-Kind Revenue	6,426	7,980
Contribution and sponsorship	50,250	8,004
Other	119,525	104,155
Total Revenues	<u>15,701,383</u>	<u>17,103,908</u>
Expenses:		
Program services		
Workforce development	14,360,196	15,860,613
Supporting services		
General and administrative	1,559,702	1,525,825
Total Expenses	<u>15,919,898</u>	<u>17,386,438</u>
Changes in net assets without donor restrictions	(218,515)	(282,530)
Net assets at beginning of year	<u>1,479,840</u>	<u>1,762,370</u>
Net assets at end of year	<u>\$ 1,261,325</u>	<u>\$ 1,479,840</u>

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

TAMPA BAY WORKFORCE ALLIANCE, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2020

	<u>Workforce Development</u>	<u>General and Administrative</u>	<u>Totals</u>
Salaries	\$ 7,766,260	\$ 868,728	\$ 8,634,988
Retirement	357,271	39,964	397,235
Payroll taxes and fringe	628,940	70,353	699,293
Staff training and education	26,103	2,920	29,023
Accounting and professional	597,019	183,353	780,372
Community outreach	165,599	18,524	184,123
Communications	109,789	12,281	122,070
Office expenses	469,445	52,512	521,957
Licenses, dues and other fees	18,526	2,072	20,598
Other expenses	2,663	298	2,961
Occupancy	1,228,956	137,470	1,366,426
Travel	71,422	7,989	79,411
Meetings and conferences	83,891	9,384	93,275
Insurance	92,169	10,310	102,479
Service provider contracts	265,063	-	265,063
Customer training	2,471,300	-	2,471,300
In-Kind Expense	5,780	646	6,426
Depreciation	-	142,898	142,898
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 14,360,196</u>	<u>\$ 1,559,702</u>	<u>\$ 15,919,898</u>

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

TAMPA BAY WORKFORCE ALLIANCE, INC.
 Statements of Functional Expense
 Year Ended June 30, 2019

	<u>Workforce Development</u>	<u>General and Administrative</u>	<u>Totals</u>
Salaries	\$ 6,743,979	\$ 769,983	\$ 7,513,962
Retirement	227,872	26,017	253,889
Payroll taxes and fringe	631,355	72,084	703,439
Staff training and education	59,869	6,835	66,704
Accounting and professional	604,692	212,975	817,667
Community outreach	62,872	7,178	70,050
Communications	107,570	12,282	119,852
Office expenses	439,792	50,213	490,005
Licenses, dues and other fees	23,091	2,636	25,727
Other expenses	871	99	970
Occupancy	1,128,950	128,896	1,257,846
Travel	120,574	13,766	134,340
Meetings and conferences	51,049	5,828	56,877
Insurance	74,033	8,453	82,486
Service provider contracts	619,750	-	619,750
Customer training	4,957,132	-	4,957,132
In-Kind Expense	7,162	818	7,980
Depreciation	-	207,762	207,762
	<hr/>	<hr/>	<hr/>
Total expenses	\$ <u>15,860,613</u>	\$ <u>1,525,825</u>	\$ <u>17,386,438</u>

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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Cash Flows

Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (218,515)	\$ (282,530)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	142,898	207,762
Changes in assets and liabilities:		
Decrease (Increase) in grants receivable	155,301	(129,792)
Decrease in accounts receivable	84,393	5,744
(Increase)Decrease in prepaid expenses	(224,154)	106,140
(Decrease) Increase in accounts payable	(18,226)	65,177
(Decrease) Increase in contracts payable	(341,408)	100,438
(Decrease) Increase in participants payable	(166,453)	112,295
(Decrease) Increase in related party payable	(131,422)	113,081
(Decrease) Increase in accrued expenses	(181,961)	291,547
Increase in accrued personal time off	90,623	5,777
(Decrease) Increase in deferred grant revenue	(181,007)	563,711
Decrease in deferred revenue	(3,221)	(6,359)
Net cash (used in) provided by operating activities	<u>(993,152)</u>	<u>1,152,991</u>
Cash flows from investing activities:		
Acquisition of property and equipment	-	(7,890)
Net cash used in investing activities	<u>-</u>	<u>(7,890)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(993,152)	1,145,101
Cash, cash equivalents, and restricted cash at beginning of year	<u>2,559,152</u>	<u>1,414,051</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 1,566,000</u>	<u>\$ 2,559,152</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, 2020 and 2019

(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 Local Workforce Development Board in Hillsborough County (the Board). This public-private partnership supports and promotes economic growth through workforce development. The Board consists of representatives of business, 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 Local 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
- Workforce Innovation and Opportunity Act:
 - Adult
 - Dislocated Worker
 - Youth
 - Community Based and Sector Strategy Training Initiatives
- Wagner Peyser
- Military Spouse
- Disabled Veterans Outreach Program
- Local Veterans Employment Representative Program
- Trade Adjustment Assistance
- Supplemental Nutrition Assistance Program
- Reemployment Services and Eligibility Assessment
- H-1B Job Training (Tech Hire Partnership Grant)

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

The following is a summary of the significant accounting policies and practices of TBWA which affect the accompanying financial statements:

(a) **Basis of Accounting**

TBWA follows the provisions of the Financial Accounting Standards Board of Accounting Standards of Codification ("FASB ASC") and the standards of financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *Industry Guide for Not-for-Profit Organization*. Accordingly, the financial statements are prepared on the accrual basis of accounting. The financial statements of TBWA are the representation of management and include estimates of amounts and judgment it believes are reasonable under the circumstances.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2020 and 2019

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

(b) **Basis of Presentation**

Net assets of TBWA and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions

Net assets subject to donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of TBWA and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreased in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by laws. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time has elapsed) are reports as net assets released from restrictions.

(c) **Reclassification**

Certain amounts in the prior year's financial statements have been reclassified to conform to the presentation of the current year financial statements. These reclassifications had no effect on the prior period change in net assets without donor restrictions.

(d) **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 certain reported amounts and disclosures. Actual results could differ from those estimates.

(e) **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.

(f) **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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2020 and 2019

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

(g) **Grants Receivable**

TBWA's grants receivable consist of amounts to be received from governments and governmental agencies for grants and appropriations. TBWA considers its receivables to be fully collectible. Accordingly, no provision for uncollectible amounts has been made in the accompanying financial statements.

(h) **Accounts Receivable**

TBWA considers accounts receivable to be fully collectible at June 30, 2020 and 2019. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

(i) **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.

(j) **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 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.

(k) **Personal Time Off**

TBWA employees are entitled to personal time off (PTO). PTO is based on length of employment and other factors. PTO is accrued when earned. PTO of \$408,734 and \$318,111 and recorded as accrued personal time off in the Statement of Financial Position at June 30, 2020 and 2019, respectively.

(l) **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.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2020 and 2019

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

(l) **Participants Payable - Continued**

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 as of the end of the fiscal year are \$217,894 and \$384,347 at June 30, 2020 and 2019, respectively, and recorded as participant payable in the Statements of Financial Position.

(m) **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.

(n) **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 the Organization's indirect cost rate. For the period July 1, 2019 through June 30, 2021, the Organization negotiated a provisional indirect cost rate of 17.42% of modified total direct cost. A final indirect cost rate of 16.58% percent of modified total direct costs was utilized for the fiscal year ending June 30, 2020 based on actual expenditures.

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.

(o) **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 under certain circumstances.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements

Year Ended June 30, 2020 and 2019

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

(o) **Income Taxes - continued**

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 years ended June 30, 2020 and 2019. 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 2020, 2019 and 2018 are subject to review and adjustment by the Internal Revenue Service.

(p) **Community Outreach**

The Organization expenses Community Outreach costs as incurred. Community Outreach expense for the years ended June 30, 2020 and 2019 totaled \$184,123 and \$70,050, respectively.

(q) **Retirement Plan**

The provision for employer contribution costs is recorded on an annual basis. Employer contributions are funded as they accrue.

(r) **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 leveraged contributions received during the fiscal year ended June 30, 2020 and 2019 totaled \$562,687 and \$656,411, respectively. These amounts are not recorded in the Statements of Activities as they do not meet the criteria for financial statement recognition.

(s) **In-Kind Contributions**

In-kind contributions of services, goods or space may be donated during the year. Contribution of services are recognized as in-kind revenue at their estimated fair market value when they create or enhance nonfinancial assets, or they require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Contributed space of \$6,426 and \$7,980 for the fiscal years ended June 30, 2020 and 2019, respectively, is recognized in the Statement of Activities as In-Kind Revenue.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

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

(t) **Subsequent Events**

TBWA has evaluated events and transactions for potential recognition or disclosure in the financial statement through January 21, 2021, the date the financial statements were available to be issued.

(u) **Recent Accounting Pronouncements**

The FASB and other entities issued new or modifications to, interpretations of, existing accounting guidance during 2020 and 2019. TBWA has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on TBWA's reported financial position or operations in the near term.

Due to the Coronavirus Disease 2019 (COVID-19), FASB issued Accounting Standards Update (ASU) 2020-05: *Revenue from Contracts with Customers and Leases*, to defer the effective dates, as follows:

- Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. The ASU clarifies the principles used to recognize revenue for all entities. The ASU is effective for fiscal years beginning after December 15, 2019 and may be adopted early. TBWA is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operation, and cash flows.
- Accounting Standards Update (ASU) 2016-02: *Leases (Topic 842)*. The ASU increases the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about lease arrangements. The ASU is effective for fiscal years beginning after December 15, 2021 and may be adopted early. TBWA is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operation, and cash flows.

(v) **Implementation of Accounting Pronouncement**

In November 2016, the FASB issued Accounting Standards Update 2016-18: *Statement of Cash Flows (Topic 230): Restricted Cash*, to reduce the diversity in the presentation of restricted cash and restricted cash equivalents in the Statement of Cash Flows. TBWA has adjusted the presentation of its financial statements accordingly. The new standards change the following aspect of TBWA's financial statements:

- Lines on the statement of cash flows will be changed from "Cash and cash equivalents, beginning/end of year" to "Cash, cash equivalents and restricted cash, beginning/end of year."
- A footnote detailing the line items contribution to total cash, equivalents, and restricted cash amounts.

In June 2018, the FASB issued Accounting Standards Update 2018-08: *Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify whether a transaction should be considered a contribution or an exchange transaction and to determine whether a contribution is conditional. The new standard does not result in a change to TBWA's method of accounting for contributions received or made.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(3) **Restrictions on Cash and Cash Equivalents**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,157,266	\$ 2,241,041
Board designated - restricted cash	<u>408,734</u>	<u>318,111</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 1,566,000</u>	<u>\$ 2,559,152</u>

Board designated restricted cash consists of the amount allocated for accrued paid time off.

(4) **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets available within one year, at year end		
Cash and cash equivalents	\$ 1,157,266	\$ 2,241,041
Board designated - restricted cash	408,734	318,111
Grants receivable	603,638	758,939
Accounts receivable	10,767	95,160
Less those unavailable for general expenditures within one year, due to:		
Board designated - restricted cash	<u>(408,734)</u>	<u>(318,111)</u>
Additional available assets for use over the next 12 months - not designated by donor or board restrictions	<u>\$ 1,771,671</u>	<u>\$ 3,095,140</u>

As Board designated restricted cash are already designated as expenses, these are removed from assets available for general expenditures. As shown in the table above, TBWA has adequate financial assets available to meet unexpected liquidity needs. Although board designated funds are set aside for a particular purpose, these amounts could be made available if necessary.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(5) **Grants Receivable**

Grants receivable is comprised of the following federal and local awards at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
U.S. Department of Agriculture		
Supplemental Nutrition Assistance Program	\$ 9,233	\$ 2,831
U.S. Department of Labor		
Employment Service Cluster		
Wagner Peyser	169,296	129,777
Military Spouse	-	7,434
Disabled Veteran Outreach Program	9,971	241
Local Veterans Employment Representative Program	8,027	-
Subtotal Employment Service Cluster	<u>187,294</u>	<u>137,452</u>
Hurricanes and Wildfires Supplemental - National Dislocated Worker Grant	7,859	-
Workforce Innovation and Opportunity Act (WIOA) Cluster		
WIOA Adult	71,865	-
WIOA Dislocated Worker	88,092	-
WIOA Youth	71,865	-
Subtotal WIOA Cluster	<u>231,822</u>	<u>-</u>
Trade Adjustment Assistance	5,511	476
H-1B Job Training Grant (Tech Hire Partnership Grant)	37,095	183,430
U.S. Department of Health and Human Services		
Temporary Assistance for Needy Families	104,005	416,382
Local award:		
City of Tampa		
Tampa Housing Job Plus Grant	20,819	18,368
	<u>\$ 603,638</u>	<u>\$ 758,939</u>

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(6) **Property and Equipment**

Property and Equipment consists of the following at June 30, 2020 and 2019:

	2020	2019
Equipment	\$ 708,837	\$ 773,743
Software	27,672	27,672
Furniture	345,001	345,001
Leasehold improvements	2,409,327	2,409,327
Total cost	<u>3,490,837</u>	<u>3,555,743</u>
Accumulated depreciation	<u>2,918,792</u>	<u>2,840,800</u>
Property and equipment, net	<u>\$ 572,045</u>	<u>\$ 714,943</u>

(7) **Deferred Grant Revenue**

Deferred grant revenue is comprised of the following federal and local awards at June 30, 2020 and 2019:

	2020	2019
U.S. Department of Labor		
Employment Service Cluster		
Local Veterans Employment Representative Program	\$ -	\$ 3,428
Subtotal Employment Service Cluster	<u>-</u>	<u>3,428</u>
Reemployment Assistance Program	-	714
Reemployment Services and Eligibility Assessment	21,507	29,248
Hurricanes and Wildfires Supplemental - National Dislocated Worker Grant	-	4,796
Workforce Innovation and Opportunity Act (WIOA) Cluster		
WIOA Adult	850,374	271,420
WIOA Dislocated Worker	21,190	445,379
WIOA Youth	314	306,909
Subtotal WIOA Cluster	<u>871,878</u>	<u>1,023,708</u>
Apprenticeship USA Grants	-	8,759
Local award:		
Citi Foundation	-	3,739
	<u>\$ 893,385</u>	<u>\$ 1,074,392</u>

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(8) **Commitments**

(a) **Facilities**

TBWA leases facilities (workforce program offices and administrative office) under cancelable and non-cancelable lease agreements. 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, net of sublease payments, were approximately \$1,200,000 and \$1,177,000 for the year ending June 30, 2020 and 2019, respectively. In addition, TBWA has entered into sublease arrangements with several of its service partners whereby the partners use office space in the Career Centers. The sublease agreements cover a one-year period and are renewable annually. TBWA received approximately \$74,000 and \$64,000 in sublease payments for the year ending June 30, 2020 and 2019, respectively.

Future minimum lease payments that have remaining terms in excess of one year as of June 30, 2020, are approximately:

Year Ending June 30,	Amount
2021	\$ 413,000
2022	234,000
2023	8,000
2024	8,000
2025	4,000
	<u>\$ 667,000</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, 2020 are approximately:

Year Ending June 30,	Amount
2021	\$ 55,000
2022	55,000
2023	20,000
2024	2,400
	<u>\$ 132,400</u>

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(9) **Employment Benefits**

(a) **Retirement Plan**

Effective September 1, 2018, TBWA is the employer of record for its employees. In addition, TBWA established a defined contribution retirement plan, Tampa Bay Workforce Alliance, Inc. 401k Plan (TBWA 401k Plan), covering its eligible employees. Prior to September 1, 2018, WorkNet Pinellas, Inc. was the employer of record for TBWA. A defined contribution retirement plan, WorkNet Pinellas, Inc. 401k Plan (WorkNet 401k Plan), was provided to eligible employees by WorkNet Pinellas, Inc. The TBWA 401k Plan provides for two types of employer contributions, a non-elective contribution (NEC) and a discretionary matching contribution to eligible employees. The discretionary employer match was not elected for fiscal years ending June 30, 2020 and 2019. The NEC is provided to all eligible employees regardless if the employee contributes. NEC totaled \$397,235 and \$253,889 for the year ended June 30, 2020 and 2019, respectively.

(b) **Cafeteria Contribution**

A cafeteria contribution is provided to eligible employees to be used towards medical, dental, vision and supplemental life insurance. The cafeteria contribution equals 28% of the eligible employee's earnings. It is included as part of the employee's gross pay and paid twice a month over 24 pay periods. The cafeteria contribution totaled \$1,665,671 and \$1,410,053 for the year ended June 30, 2020 and 2019, respectively.

(10) **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.

(11) **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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements
Year Ended June 30, 2020 and 2019

(12) Legal Matters

At year-end, TBWA is being investigated by certain state and federal agencies regarding its operations and utilization of grant funds. As of the date of the financial statements, these state and federal investigations are on-going, and the final results have not been released. Therefore, TBWA cannot conclude as of the report date if a loss is reasonably probable, and the amount of any such loss is not estimable at this time.

TBWA is also 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. Legal actions that pertain to employment matters are generally covered by TBWA's liability insurance.

(13) 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, 2020 and June 30, 2019 were \$458,860 and \$378,009, respectively, and accounts payable at June 30, 2020 and 2019 were \$33,643 and \$165,065.

SUPPLEMENTAL INFORMATION

TAMPA BAY WORKFORCE ALLIANCE, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal/State Agency Pass-Through Entity/ Program Title	Federal CFDA Number	Pass-Thru Entity Identifying Number	Federal Expenditures	Amount to Subrecipients
U.S. Department of Agriculture				
Passed through the Department of Economic Opportunity: Supplemental Nutrition Assistance Program Cluster	10.561	37580, 38450	\$ 665,517	\$ -
Total U.S. Department of Agriculture			<u>665,517</u>	<u>-</u>
U.S. Department of Labor				
Passed through the Department of Economic Opportunity: Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	37452, 38237, 38221	1,129,751	-
Disabled Veterans Outreach Program	17.801	37754, 38553	178,810	-
Local Veterans Employment Representative Program	17.804	37737, 38574	58,520	-
Subtotal Employment Service Cluster			<u>1,367,081</u>	<u>-</u>
Unemployment Insurance	17.225	37709, 38015	494,941	-
Trade Adjustment Assistance	17.245	37634, 38489, 37654, 38470, 36550	44,239	-
Hurricanes and Wildfires Supplemental - National Dislocated Worker Grant	17.277	35820	133,656	-
Workforce Innovation and Opportunity Act (WIOA) Cluster: WIOA Adult Program	17.258	37503, 38286, 35630, 37932, 38132, 38263, 38133, 38925	2,279,644	-
WIOA Dislocated Worker Formula Grants	17.278	37479, 38310, 35630, 37932, 38132, 38263, 38133, 38134, 38925	2,639,772	-
WIOA Youth Activities	17.259	37289, 35630, 37932, 38132, 38263, 38133, 38925	2,887,673	-
Subtotal WIOA Cluster			<u>7,807,089</u>	<u>-</u>
Apprenticeship USA Grants	17.285	37271	7,944	-
Subtotal Department of Economic Opportunity			<u>10,520,467</u>	<u>-</u>
Passed through Westat, Inc.:				
H-1B Job Training Grant (Tech Hire Partnership Grant)	17.268	HG-29364-16-60-A-12	29,422	-
Subtotal Westat, Inc.			<u>29,422</u>	<u>-</u>
H-1B Job Training Grant (Tech Hire Partnership Grant)	17.268	HG-29364-16-60-A-12	679,934	265,063
Subtotal Direct U.S. Department of Labor			<u>679,934</u>	<u>265,063</u>
Total U.S. Department of Labor			<u>11,229,823</u>	<u>265,063</u>
U.S. Department of Health and Human Services				
Passed through the Department of Economic Opportunity: Temporary Assistance for Needy Families	93.558	37611, 38194, 38515	4,201,791	-
Total U.S. Department of Health and Human Services			<u>4,201,791</u>	<u>-</u>
Total Federal Awards			<u>\$ 15,431,614</u>	<u>\$ 265,063</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, 2020

(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, 2020. 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 were not purchased using federal grant awards during fiscal year ending June 30, 2020. 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 TBWA, 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 \$562,687 represents salaries paid by employers providing incumbent worker training for the H-1B Job Training Grant (TechHire Partnership Grant).

(5) Indirect Cost Rate

For the period July 1, 2019 through June 30, 2021, TBWA negotiated a provisional indirect cost rate of 17.42% of modified total direct cost. A final indirect cost rate of 16.58% percent of modified total direct costs was utilized for the fiscal year ending June 30, 2020 based on actual expenditures.

REGULATORY REPORTS

INDEPENDENT AUDITORS' 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*

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tampa Bay Workforce Alliance, Inc., which comprise the statement of financial position as of June 30, 2020, 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 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tampa Bay Workforce Alliance, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Tampa Bay Workforce Alliance, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Workforce Alliance, Inc.'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.

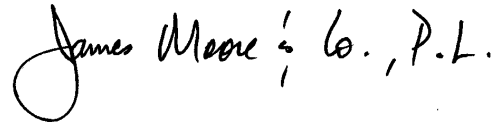
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Tampa Bay Workforce Alliance, Inc.'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 financial statements. 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 result 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Tallahassee, Florida
January 21, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Tampa Bay Workforce Alliance, Inc. compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. Tampa Bay Workforce Alliance, Inc. major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tampa Bay Workforce Alliance, Inc. 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 (CFR) 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, 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. 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. 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, 2020.

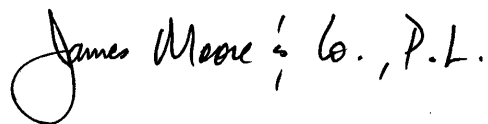
Report on Internal Control over Compliance

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. internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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. 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.

James Moore & Co., P.L.

Tallahassee, Florida
January 21, 2021

**TAMPA BAY WORKFORCE ALLIANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2020**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ Yes <u> X </u> No
• Significant deficiency(ies) identified?	___ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ Yes <u> X </u> No
• Significant deficiency(ies) identified?	___ Yes <u> X </u> None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes <u> X </u> No
Identification of major programs:	CFDA 17,258, 17.259, 17.278, WIOA Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes ___ No

TAMPA BAY WORKFORCE ALLIANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With *Government Auditing Standards*:

There are no current year audit findings.

Section III. Findings and Questioned Costs for Federal Awards:

There are no current year audit findings.

Section IV. Prior Audit Findings for Federal Awards for the Year Ended June 30, 2019:

There were no prior year audit findings.