

**First Coast Workforce Development, Inc.**

**Audit Report**

**June 30, 2019**

# **First Coast Workforce Development, Inc.**

## **Table of Contents** **June 30, 2019**

	<b>PAGE NO.</b>
<b>REPORT</b>	
Independent Auditor's Report	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Financial Position	7
Statement of Activities	8
Balance Sheet - Governmental Fund	9
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11
Notes to financial Statements	12
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	21
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION</b>	22
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	25
<b>ADDITIONAL REPORTS</b>	
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>	27
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	29
Schedule of Findings and Questioned Costs	31



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](mailto:admin@powellandjonescpa.com)

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
First Coast Workforce Development, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of First Coast Workforce Development, Inc. ("FCWD"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise FCWD's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of FCWD, as of

June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

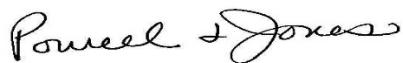
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 on our consideration of FCWD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FCWD's internal control over financial reporting and compliance.



Lake City, Florida  
December 19, 2019

## **First Coast Workforce Development, Inc.**

### **Management's Discussion and Analysis**

This discussion and analysis of First Coast Workforce Development, Inc.'s (the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Board's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2019:

The Board's overall net position decreased by approximately \$(83,593).

Total ending net position was approximately \$2,008,628.

The Board had total expenses for the year of approximately \$19,105,455 compared to revenues of approximately \$19,021,862.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This annual report contains government-wide financial statements that report on the Board's activities as a whole and fund financial statements that report on the Board's individual fund.

#### ***Government-Wide Financial Statements***

The first financial statement is the Statement of Net Position. This statement includes all of the Board's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position, the difference between assets and liabilities, can be used to measure the Board's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Board's financial health is improving or deteriorating. However, other non-financial factors, such as changes in state funding, must also be considered when assessing the overall health of the Board.

In these statements, all of the Board's activities are considered to be governmental activities. The Board has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

#### ***Fund Financial Statements***

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the Board's fund.

- General Fund - This fund is accounted for using the modified accrual basis of accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the Board's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

The Board maintains one individual governmental fund. The General Fund is considered to be a major fund and, accordingly, is separately displayed.

## First Coast Workforce Development, Inc.

### Management's Discussion and Analysis

#### **CONDENSED FINANCIAL INFORMATION**

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

<b>Net Position</b>		
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Non-capital assets	\$ 3,240,403	\$ 2,958,956
Capital assets, net	232,081	299,518
Total assets	<u>3,472,484</u>	<u>3,258,474</u>
<b>Liabilities</b>		
Current liabilities	<u>1,463,856</u>	<u>1,166,253</u>
<b>Net Position</b>		
Investment in capital assets	232,081	299,518
Unrestricted	1,776,547	1,792,703
Total Net Position	<u>\$ 2,008,628</u>	<u>\$ 2,092,221</u>
<b>Change in Net Position</b>		
	<b>2019</b>	<b>2018</b>
<b>Program Revenues</b>		
Operating grants and contributions	\$ 18,812,663	\$ 18,522,013
Charges for services and other	206,224	324,633
Interest	2,975	1,635
Total revenues	<u>19,021,862</u>	<u>18,848,281</u>
<b>Program expenses</b>		
Administration	1,819,161	1,876,034
Programs	17,286,294	16,836,184
Total program expenses	<u>19,105,455</u>	<u>18,712,218</u>
Change in net position	(83,593)	136,063
Beginning net position	<u>2,092,221</u>	<u>1,956,158</u>
Ending net position	<u>\$ 2,008,628</u>	<u>\$ 2,092,221</u>

## **First Coast Workforce Development, Inc.**

### **Management's Discussion and Analysis**

#### **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

##### ***Governmental Activities***

The governmental activities generated \$19,021,862 in program revenues and incurred \$19,105,455 of total expenses. This resulted in a \$(83,593) decrease in net position.

#### **THE BOARD'S INDIVIDUAL FUND**

##### ***General Fund***

The General Fund receives a substantial portion of its funding under cost reimbursement contracts. This means that revenues will generally approximate expenditures. The fund balance represents program revenues and unassigned funds to be expended in subsequent years.

#### **BUDGETARY HIGHLIGHTS**

The Board adopts an annual appropriated budget for the governmental fund. A budgetary comparison statement is provided for the General Fund in order to present budgetary compliance. There were no amendments to the original budget during the year.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### ***Capital Assets***

The Board's capital assets consist primarily of office equipment. This office equipment is comprised mainly of computers and related equipment.

The disposal of equipment is done with Board authorization usually at the recommendation of the asset custodian. The custodian recommends the disposal of equipment that is no longer performing a useful function. The custodian evaluates the cost of the equipment repairs versus the cost of the equipment replacement. If possible, the Board donates to other agencies furniture and equipment that it can no longer use.

Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Board's capital asset activity.

##### ***Debt Administration***

The Board has no debt.

## **First Coast Workforce Development, Inc.**

### **Management's Discussion and Analysis**

#### **ECONOMIC FACTORS**

Most of the Board's revenues came from federal grants that pass through the Department of Economic Opportunity as well as the Department of Labor. Anything that could influence Federal and State appropriations of these funds will have a direct impact on the Board.

#### **CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Bruce Ferguson, Chief Executive Officer, 1845 Town Center Boulevard, Suite 250, Fleming Island, Florida 32003.

## **First Coast Workforce Development, Inc.**

### **Statement of Net Position** **June 30, 2019**

#### **Assets**

##### Current assets:

Cash and cash equivalents	\$ 839,750
Grants and contracts receivable	2,370,075
Other receivables	22,200
Prepaid expense	8,378
Total current assets	<u>3,240,403</u>
Noncurrent assets	
Depreciable capital assets, net	<u>232,081</u>
Total assets	<u>3,472,484</u>

#### **Liabilities**

##### Current liabilities

Accounts payable	1,462,192
Unearned revenue	1,664
Total current liabilities	<u>1,463,856</u>

#### **Net position**

Invested in capital assets	232,081
Unrestricted	<u>1,776,547</u>
Total net position	<u>\$ 2,008,628</u>

**See notes to financial statements.**

## First Coast Workforce Development, Inc.

### Statement of Activities For the Fiscal Year Ended June 30, 2019

	Charges for Services	Operating Grants and Contributions	Capital grants	Net (Expense) Revenue and Changes in Net Position
	Expenses			
<b>Functions/programs</b>				
Economic environment				
Administration	\$ 1,819,161	\$ -	\$ 1,819,161	\$ -
Programs	<u>17,286,294</u>	<u>127,934</u>	<u>16,974,498</u>	<u>19,004</u>
Total	<u>\$ 19,105,455</u>	<u>\$ 127,934</u>	<u>\$ 18,793,659</u>	<u>\$ 19,004</u>
				(164,858)
<b>General revenue</b>				
Other revenue				78,290
Interest				<u>2,975</u>
<b>Change in net position</b>				
Net position, beginning of year				(83,593)
Net position, end of year				<u>2,092,221</u>
				<u>\$ 2,008,628</u>

**See notes to financial statements.**

**First Coast Workforce Development, Inc.**

**Balance Sheet  
Governmental Fund  
June 30, 2019**

<b>Assets</b>	<b>General Fund</b>
Current assets:	
Cash and cash equivalents	\$ 839,750
Grants and contracts receivable	2,370,075
Other receivables	22,200
Prepaid expense	8,378
Total assets	3,240,403
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,462,192
Unearned revenue	1,664
Total liabilities	1,463,856
<b>Fund balance</b>	
Nonspendable - prepaids	8,378
Unassigned	1,768,169
Total fund balance	1,776,547
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not reported in the governmental fund	
Capital assets - net of accumulated depreciation	232,081
Net position of governmental activities	\$ 2,008,628

**See notes to financial statements.**

## **First Coast Workforce Development, Inc.**

### **Statement of Revenues, Expenditures and Change in Fund Balance Governmental Fund For the Fiscal Year Ended June 30, 2019**

	<u>General Fund</u>
<b>Revenues</b>	
Intergovernmental	\$ 18,812,663
Charges for services	127,934
Miscellaneous	81,265
Total revenues	<u>19,021,862</u>
<b>Expenditures</b>	
Economic Environment	1,819,161
Administration	17,199,853
Programs	19,004
Capital outlay	19,038,018
<b>Deficit of revenues over expenditures</b>	(16,156)
<b>Fund balance, beginning of year</b>	<u>1,792,703</u>
<b>Fund balance, end of year</b>	<u>\$ 1,776,547</u>

**See notes to financial statements.**

**First Coast Workforce Development, Inc.**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balance to the Statement of Activities  
For the Fiscal Year Ended June 30, 2019**

<b>Deficit of revenues over expenditures - governmental fund</b>	\$ (16,156)
--	-------------

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures;  
however in the statement of activities, the cost of those assets  
is capitalized and depreciated over their estimated useful lives.

Expenditures for capital assets	19,004
Current year depreciation expense	<u>(86,441)</u>
<b>Excess of revenues over expenses statement of activities</b>	<b><u>\$ (83,593)</u></b>

**See notes to financial statements.**

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies of First Coast Workforce Development, Inc. (the "Board"), which affect significant elements of the financial statements:

##### ***Reporting Entity***

The Board was incorporated on January 12, 1996 as a non-profit organization. The Board's mission is to promote and enhance productive employment of individuals in the Florida counties of Baker, Clay, Duval, Nassau, Putnam and St. Johns (RWB Region 8). The Board was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996, the Federal Workforce Investment Act of 1998 and the Florida Workforce Innovation Act of 2000, consistent with the provision of job training, job placement and benefit services to the citizens of the six county regions. The governing body of the Board consists of board members who are appointed by state and local officials.

The Board is the grant recipient and grant administrator for the following grants and programs in RWB Region 8:

*Workforce Investment and Opportunity Act (WIOA)* - WIOA programs provide youth, adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers. WIOA National Emergency Grant funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to reemploy laid off workers and enhance their employability and earnings.

*Military Spouse* - This funding provides support for military spouses through education and employment in high skill/high wage occupations.

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

*Sector Partnership* - The grant provides dislocated workers with skill assessment, job training, and re-employment services. All services are based on employment opportunities in high growth local industry sectors.

*Unemployment Compensation (UC)* - The UC grant is used to provide assistance for recipients of unemployment compensation insurance through Federal and State cooperation.

*Re-employment and Eligibility Assessments* - The Worker Profiling and Reemployment Services (WPRS) system, mandated by Public Law 103-152 of the Unemployment Compensation Amendments of 1993, is designed to identify and rank or score unemployment insurance claimants by their potential for exhausting their benefits for referral to appropriate reemployment services.

*Trade Adjustment Assistance (TAA)* - The TAA program provides adjustment assistance to qualified workers adversely affected by foreign trade.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Disabled Veterans Outreach Program (DVOP)* - DVOP grants are used to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through community agencies and organizations.

*Local Veterans Employment Representative (LVER)* -The LVER program provides counseling, job development, placement and support services directly to veterans.

*Supplemental Nutritional Assistance Program (SNAP)* - SNAP programs provide funding grants for administrative and programmatic costs incurred to operate the Food Stamp Program for able-bodied adults without children. The goal of the program is to provide job placement.

*DOL Face Forward* - The grant provides soft-skill mediation, skills training and job placement for youth, aged 16-24, who have been involved in the Juvenile Justice System.

*Temporary Assistance for Needy Families (TANF)* - TANF programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work with the goal of economic self-sufficiency.

Criteria for determining if other entities are potential component units of the Board which should be reported with the Board's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the Board's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Board.

#### ***Reporting Model***

The Board was incorporated as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, due to the structure established to approve Board members, management has determined that the Board is required to report under generally accepted accounting principles for state and local governments.

#### ***Government-wide Financial Statements***

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Board. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The Board has no business-type activities.

The Statement of Net Position reports the Board's financial position as of the end of the fiscal year. In this statement, the Board's net position is reported in two categories: investment in capital assets and unrestricted net position.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

#### ***Fund Financial Statements***

The financial transactions of the Board are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental fund.

Governmental Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources.

#### ***Measurement Focus and Basis of Accounting***

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

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

Most revenues are considered to be susceptible to accrual and have been recognized in the current fiscal period. Certain other revenue items are considered to be measurable and available only when cash is received.

When both restricted and unrestricted resources are available for use, it the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Cash and Cash Equivalents***

The institution in which the Board's monies are deposited is certified as a "Qualified Public Depository," as required under the Florida Security for Public Deposits Act. This law requires every qualified public depository to deposit with the State eligible collateral equal to or in excess of an amount to be determined by the State and requires the State to ensure that funds are entirely collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

##### ***Grants and Contracts Receivable***

Grants and contracts receivable consist of amounts due from grantor agencies and subrecipients for reimbursement of expenditures under various programs as of June 30, 2019. All amounts are expected to be collected within the next year. The Board considers all receivables to be fully collectible. No allowance for doubtful accounts is included in the financial statements.

##### ***Capital Assets and Depreciation***

Capital assets are defined by the Board as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of 5 to 10 years.

##### ***Indirect Costs***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Costs shared by more than one program are allocated to the appropriate programs using a combination of full-time equivalent employees that work within each program and a ratio of the number of active participants served by each program.

##### ***Revenue Sources***

Generally, revenue is received from the State of Florida Department of Economic Opportunity and is earned on a cost reimbursement basis.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Use of Estimates***

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

##### ***Budgets and Budgetary Process***

The Board adopts an annual operating budget, which can be amended throughout the year, and which is presented as required supplementary information. For the General Fund, the modified accrual basis of accounting is used to reflect budgeted revenues and expenditures. The fund is the legal level of control.

##### ***Fund Balance***

The Board follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* - includes amounts restricted by external sources or by constitutional provision or by enabling legislation.

*Committed fund balance* - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board's highest level of decision-making authority, which is a resolution.

Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.

*Assigned fund balance* - Assigned fund balances are amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned fund balance* - includes amounts that have not been assigned, committed, or restricted within the General Fund.

The Board's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Tax Exempt Status***

The Board is exempt from federal Income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the organization had no uncertain income tax positions. As required by the Internal Revenue Service's regulations, the organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service.

##### ***Subsequent Events***

The Board has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 19, 2019, the date which the financial statements were available to be issued.

#### **NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable, except the Reentry Employment Opportunities Face Forward grant, are from the State of Florida and are for the following programs:

WIOA Adult	\$ 7,765
WIOA Dislocated Worker	846,946
WIOA Youth	500,564
WIOA Sector Strategies	40,089
WIOA Surgical Tech	100,304
Welfare Transition	751,883
Wagner-Peyser	18,989
Wagner-Peyser Military Family	10,616
Supplemental Nutrition Assistance Program	17,178
Local Veterans' Employment Representative	10,413
Disabled Veterans' Outreach Program	19,002
Trade Adjustment Assistance	9,763
Reemployment Services and Eligibility Assessment	11,214
National Emergency Hurricane Irma	25,349
Total	<u>\$ 2,370,075</u>

## First Coast Workforce Development, Inc.

### Notes to Financial Statements

#### **NOTE 3 – CAPITAL ASSETS AND DEPRECIATION**

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

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
<b>Capital assets being depreciated:</b>				
Furniture and equipment	\$ 120,038	\$ -	\$ (11,324)	\$ 108,714
Computer equipment	366,577	19,004	-	385,581
Vehicles	183,526	-	-	183,526
Software	109,016	-	-	109,016
<b>Total assets being depreciated</b>	<b>779,157</b>	<b>19,004</b>	<b>(11,324)</b>	<b>786,837</b>
<b>Less accumulated depreciation for:</b>				
Furniture and equipment	77,329	10,791	(11,324)	76,796
Computer equipment	136,918	66,414	-	203,332
Vehicles	183,526	-	-	183,526
Software	81,866	9,236	-	91,102
<b>Total accumulated depreciation</b>	<b>479,639</b>	<b>86,441</b>	<b>(11,324)</b>	<b>554,756</b>
<b>Governmental activities, net</b>	<b>\$ 299,518</b>	<b>\$ (67,437)</b>	<b>\$ -</b>	<b>\$ 232,081</b>

Depreciation was charged to functions/programs as follows:

Economic Environment	\$86,441
----------------------	----------

#### **NOTE 4 - RISK MANAGEMENT PROGRAMS**

Insurance coverage is being provided through purchased commercial insurance. Settled claims (if any) resulting from these risks have not exceeded commercial coverage in the past three years.

#### **NOTE 5 – RELATED PARTY TRANSACTIONS**

Pursuant to Section 163.01(7) of Chapter 163, *Florida Statutes*, the First Coast Workforce Development Consortium (the Consortium), a special district governmental entity, provides personnel and acts as the employer of record for the Board. During the year ended June 30, 2019, the Board incurred costs of \$6,793,127 to the Consortium for contract labor including fringe benefits.

The Board has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Board of Directors, to carry out its training programs. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of the individual participants.

## **First Coast Workforce Development, Inc.**

### **Notes to Financial Statements**

#### **NOTE 6 - LEASES**

The Board leases its home and field offices under operating leases with remaining terms of one to five years. The Board also has operating leases with remaining terms for copier and mailing equipment. The Board is responsible for insuring this personal property located in these offices.

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

Year Ending June 30,	
2020	\$ 1,138,908
2021	735,685
2022	682,656
2023	428,078
2024	140,560
2025	27,528
Total	<u>\$ 3,153,415</u>

Lease expense for the fiscal year ended June 30, 2019 totaled \$1,078,793 after deducting \$18,827 in office rent reimbursements.

#### **NOTE 7 - ECONOMIC DEPENDENCY**

The Board's primary sources of revenue are from Workforce Innovation and Opportunity Act (WIOA) grants, Food Stamp Employment and Training (FSET) grants, Temporary Assistance for Needy Families (TANF) grants, and Wagner-Peyser grants. These grants must be periodically renewed.

#### **NOTE 8- CONTINGENCIES**

There is a contingent liability due to the fact that all required regulatory audits of the Board's operations and project closeout procedures have not been completed for all projects administered. Any eventual expenditures determined not to be in compliance with grant regulations could be subject to repayment by the Board.

**REQUIRED SUPPLEMENTARY INFORMATION**

**First Coast Workforce Development, Inc.**

**Budgetary Comparison Schedule  
General Fund**

**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 17,877,000	\$ 17,877,000	\$ 18,812,663	\$ 935,663
Charges for services	1,627,000	1,627,000	127,934	(1,499,066)
Miscellaneous	-	-	81,265	81,265
Total revenues	<u>19,504,000</u>	<u>19,504,000</u>	<u>19,021,862</u>	<u>(482,138)</u>
<b>Expenditures</b>				
Economic Environment				
Administration	1,833,290	1,833,290	1,794,156	39,134
Programs	17,247,710	17,247,710	17,224,858	22,852
Capital outlay	423,000	423,000	19,004	403,996
Total expenditures	<u>19,504,000</u>	<u>19,504,000</u>	<u>19,038,018</u>	<u>465,982</u>
<b>Deficit of revenues over expenditures</b>	-	-	(16,156)	(16,156)
<b>Fund balance, beginning of year</b>	<u>1,792,703</u>	<u>1,792,703</u>	<u>1,792,703</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,792,703</u>	<u>\$ 1,792,703</u>	<u>\$ 1,776,547</u>	<u>\$ (16,156)</u>

**See notes to required supplementary information.**

**First Coast Workforce Development, Inc.**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

**A. Budgetary Information:**

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

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

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

**B. Excess of Appropriations Over Expenditures**

Appropriations were greater than expenditures in the General Fund.

**First Coast Workforce Development, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Pass-Through Entity Identifying Number	Contract Number	Federal CFDA Number	Contract Amount	Accrued Revenue			Accrued (Deferred) Revenue June 30, 2019	Passed through to Subrecipients
						June 30, 2018	Receipts	Expenditures		
<b>U.S. Department of Agriculture</b>										
Passed through the Florida Department of Economic Opportunity		15-838-9275								
Supplemental Nutrition Assistance Program	10/01/2017-09/30/18		FSH18	10.561	\$ 468,223	\$ 56,281	\$ 158,077	\$ 101,796	\$ -	\$ -
Supplemental Nutrition Assistance Program	10/01/2018-09/30/19		FSH19	10.561	504,264	-	361,877	379,055	17,178	-
<b>Total U.S. Department of Agriculture</b>					<u>972,487</u>	<u>56,281</u>	<u>519,954</u>	<u>480,851</u>	<u>17,178</u>	<u>-</u>
<b>U.S. Department of Labor</b>										
Reintegration of Ex-offenders	07/01/2015-09/30/2019		YF-27295-15-60-A-12	17.270	<u>1,050,000</u>	<u>35,147</u>	<u>52,066</u>	<u>16,919</u>	<u>-</u>	<u>-</u>
Passed through the Florida Department of Economic Opportunity:										
Reemployment Services and Eligibility Assessment - Bridge	01/01/2019-6/30/2019		UCRE8	17.225	74,688	-	74,688	74,688	-	-
Reemployment Services and Eligibility Assessments	1/1/2018-12/31/2018		UCRE8	17.225	171,694	16,745	120,182	103,437	-	-
Reemployment and Eligibility Assessments	10/1/2018-9/30/2019		UCB19	17.225	80,542	-	74,257	74,476	219	-
Reemployment Services and Eligibility Assessments	1/1/2019-3/31/2020		UCR19	17.225	246,382	-	11,904	22,899	10,995	-
					<u>573,306</u>	<u>16,745</u>	<u>281,031</u>	<u>275,500</u>	<u>11,214</u>	<u>-</u>
Trade Adjustment Assistance Case Management	07/01/2017-09/30/18		TAC16	17.245	80,000	19,535	19,535	-	-	-
Trade Adjustment Assistance Training	07/01/2017-09/30/18		TAT16	17.245	178,136	1,135	43,084	41,949	-	-
Trade Adjustment Assistance Administration	07/01/2017-09/30/19		TAC17	17.245	40,968	(2,425)	23,962	27,957	1,570	-
Trade Adjustment Assistance Case Management	07/01/2018-09/30/19		TAC17	17.245	100,000	-	59,922	59,823	(99)	-
Trade Adjustment Assistance Training	07/01/2018-09/30/19		TAT17	17.245	344,512	-	87,928	96,121	8,193	-
					<u>743,616</u>	<u>18,245</u>	<u>234,431</u>	<u>225,850</u>	<u>9,664</u>	<u>-</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster										
WIOA Rural Initiatives	7/1/2018-6/30/2019		WIS17	17.258	28,125	-	28,125	28,125	-	-
WIOA Performance Incentives PY16-17	6/7/2018-12/31/2019		WIS18	17.258	84,526	-	39,717	39,231	(485)	-
WIOA Sector Strategies	3/1/2019-3/31/2020		WIS19	17.258	16,500	-	-	13,229	13,229	-
WIOA Adult	7/1/2018-6/30/2020		WIA19	17.258	3,073,949	-	3,066,184	3,073,949	7,765	20,356
					<u>3,203,100</u>	<u>-</u>	<u>3,134,026</u>	<u>3,154,534</u>	<u>20,509</u>	<u>20,356</u>
WIOA Rural Initiatives	7/1/2018-6/30/2019		WIS17	17.259	28,125	-	28,125	28,125	-	-
WIOA Performance Incentives PY16-17	6/7/2018-12/31/2019		WIS18	17.259	84,526	-	39,717	39,231	(485)	-
WIOA Sector Strategies	3/1/2019-3/31/2020		WIS19	17.259	16,500	-	-	13,229	13,229	-
WIOA Youth	04/01/2017-06/30/19		WIY18	17.259	3,107,003	282,349	2,352,032	2,069,683	-	969,132
WIOA Youth	04/01/2018-06/30/20		WIY19	17.259	3,114,141	-	908,570	1,409,134	500,564	841,849
WIOA Youth	04/01/2019-06/30/21		WIY20	17.259	2,619,436	-	-	-	-	-
					<u>8,969,731</u>	<u>282,349</u>	<u>3,328,444</u>	<u>3,559,402</u>	<u>513,308</u>	<u>1,810,981</u>
WIOA Rural Initiatives	7/1/2018-6/30/2019		WIS17	17.278	37,500	-	37,500	37,500	-	-
WIOA Performance Incentives PY16-17	6/7/2018-12/31/2019		WIS18	17.278	103,614	-	48,684	48,091	(595)	-
WIOA Sector Strategies	3/1/2019-3/31/2020		WIS19	17.278	17,000	-	-	13,631	13,631	-
WIOA Sector Strategies - Surgical Tech	08/28/2017-06/30/19		WRS17	17.278	253,138	64,589	134,790	170,506	100,304	-
WIOA Dislocated Worker	07/01/2017-06/30/19		WID18	17.278	3,718,236	485,087	3,308,739	2,823,652	-	16,716
WIOA Dislocated Worker	07/01/2018-06/30/20		WID19	17.278	3,392,835	-	1,298,316	2,145,261	846,945	12,208
					<u>7,522,323</u>	<u>549,676</u>	<u>4,828,029</u>	<u>5,238,641</u>	<u>960,285</u>	<u>28,924</u>
Total Workforce Innovation and Opportunity Act (WIOA) Cluster					<u>19,695,154</u>	<u>832,025</u>	<u>11,290,499</u>	<u>11,952,577</u>	<u>1,494,102</u>	<u>1,860,261</u>

**Continued**

**First Coast Workforce Development, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2019**  
**(Continued)**

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Pass-Through Entity Identifying Number	Contract Number	Federal CFDA Number	Contract Amount	Accrued Revenue			Accrued (Deferred) Revenue June 30, 2019	Passed through to Subrecipients
						June 30, 2018	Receipts	Expenditures		
<b>U.S. Department of Labor continued</b>										
Passed through the Florida Department of Economic Opportunity:										
Workforce Innovation Act National Emergency Grant	10/08/2016-09/30/18	WNM17	17.277	\$ 168,569	\$ 2,475	\$ 13,465	\$ 10,990	\$ -	\$ -	\$ -
Workforce Innovation Act National Emergency Grant	09/06/2017-09/30/20	WNI18	17.277	735,843	4,689	347,544	368,205	25,350		
Workforce Innovation Act National Emergency Grant	10/7/2018-1/31/2019	WNM19	17.277	131,500	-	131,500	131,500			
Workforce Innovation Act National Emergency Grant	07/01/2015-06/30/18	WNSP5	17.277	1,108,552	190,037	190,037	-	-		
				2,144,464	197,201	682,546	510,695	25,350		
Employment Service Cluster:										
Wagner Peyster Performance Incentives FY16-17	06/07/2018-09/30/19	WPB17	17.207	46,528	-	46,528	46,528	-		
Wagner Peyster 7B Military Spouse SFY 17-18	07/01/2017-06/30/18	WPB18	17.207	56,386	1,722	1,722	-	-		
Wagner Peyster WP 7B SFY18-19 Military Family □	07/01/2018-06/30/19	WPB19	17.207	69,748	-	59,132	69,748	10,616		
Wagner Peyster	07/01/2017-09/30/18	WPA18	17.207	827,551	7,499	194,590	187,091	-		
Wagner Peyster	07/01/2018-09/30/19	WPA19	17.207	919,369	-	630,523	649,512	18,989		
				1,919,581	9,221	932,495	952,879	29,605		
Veterans Program-Disabled Veterans	10/01/2017-11/30/18	DVP18	17.801	172,398	27,102	81,705	54,603	-		
Veterans Program-Disabled Veterans	10/1/2018-09/30/2019	DVP19	17.801	99,258	-	80,256	99,258	19,002		
Veterans Program-Local Veterans Employment Representative	10/01/2017-9/30/18	LVR18	17.801	106,613	18,031	36,091	18,060	-		
Veterans Program-Local Veterans Employment Representative	10/1/2018-09/30/2019	LVR19	17.801	78,496	-	68,083	78,496	10,413		
Local Veterans' - Veterans Incentives	10/01/2017-09/30/18	VPI18	17.801	39,026	-	39,026	39,026	-		
				495,791	45,133	305,161	289,443	29,415		
Total Employment Service Cluster				2,415,372	54,354	1,237,656	1,242,322	59,020		
<b>Total U.S. Department of Labor</b>				26,621,912	1,153,717	13,778,229	14,223,863	1,599,349	1,860,261	
<b>U.S. Department of Health and Human Services</b>										
Passed through the Florida Department of Economic Opportunity										
Welfare Transition Program	07/01/2018-11/30/18	WTS18	93.558	1,161,723	-	1,161,723	1,161,723	-		8,416
Welfare Transition Program	10/01/2017-06/30/2018	WTS18	93.558	4,249,675	317,000	317,000	-	-		
Welfare Transition Program	10/01/2018-8/31/2019	WTS19	93.558	3,785,167	-	2,219,348	2,971,231	751,883	171,593	
				9,196,565	317,000	3,698,071	4,132,954	751,883	180,009	
<b>Total U.S. Department of Health and Human Services</b>				\$ 36,790,965	\$ 1,526,998	\$ 17,996,254	\$ 18,837,668	\$ 2,368,410	\$ 2,040,270	
<b>Total Federal Awards</b>										

**See notes to schedule of expenditures of federal awards.**

**First Coast Workforce Development, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of First Coast Workforce Development, Inc. and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

Expenditures are recognized following the cost principles contained in the Uniform Guidance.

First Coast Workforce Development, Inc. did not elect to use the 10 percent de minimis indirect cost rate.

**NOTE 3- RECONCILIATION OF FINANCIAL RECORDS TO THE DEPARTMENT OF  
ECONOMIC OPPORTUNITY'S SUBRECIPIENT ENTERPRISE RESOURCE  
APPLICATION (SERA)**

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

## **ADDITIONAL REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Board of Directors  
First Coast Workforce Development, 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 the governmental activities and the major fund of First Coast Workforce Development, Inc. (the "Board") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Powell & Jones*

Lake City, Florida  
December 19, 2019

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

Board of Directors  
First Coast Workforce Development, Inc.

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

We have audited First Coast Workforce Development, Inc.'s (the "Board") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The Board'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 the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board'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 on the Board's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## **Report on Internal Control Over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board'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.



Lake City, Florida  
December 19, 2019

**First Coast Workforce Development, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

---

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

---

**Financial Statements**

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

Noncompliance material to financial statements noted?

No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	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</u>	<u>Name of Program or Cluster</u>
	<b><u>U.S. Department of Health and Human Services</u></b>
	Workforce Innovation and Opportunity Act (WIOA) Cluster
17.258	WIOA Adult
17.259	WIOA Youth
17.278	WIOA Dislocated Worker
	<b><u>U.S. Department of Labor</u></b>
	Employment Service Cluster
17.207	Wagner-Peyser
17.801	Disabled Veterans Outreach Program
17.801	Local Veterans Employment Representative

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

Auditee qualified as low-risk auditee? Yes

(Continued)

**First Coast Workforce Development, Inc.**  
**Schedule of Findings and Questioned Costs**  
**(Continued)**  
**For the Year Ended June 30, 2019**

---

---

**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