

**CENTRAL FLORIDA REGIONAL
WORKFORCE
DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL
FLORIDA**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2016

And Report of Independent Auditor

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
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Report of Independent Auditor

Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the Organization as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 as required by the 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 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 February 7, 2017 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 2, 2017

FINANCIAL STATEMENTS

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,173,281
Grants receivable	2,957,624
Other receivables	154,556
Prepaid expenses and other current assets	179,679
Total current assets	<u>5,465,140</u>

Property and equipment:

Leasehold improvements	3,659,474
Software	1,340,164
Data processing equipment	1,106,319
Vehicles	442,066
Office furniture and fixtures	7,068
Total property and equipment	<u>6,555,091</u>
Less accumulated depreciation and amortization	<u>(6,162,538)</u>
Property and equipment, net	<u>392,553</u>

Deposits	<u>334,174</u>
Total assets	<u>\$ 6,191,867</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued expenses	\$ 2,771,008
Accrued compensation	749,952
Grant advances	222,641
Deferred rent	93,219
Total current liabilities	<u>3,836,820</u>

Unrestricted net assets	2,355,047
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Total liabilities and net assets	<u>\$ 6,191,867</u>
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CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Revenues:

Government grants	\$ 28,028,360
Total revenues	<u>28,028,360</u>

Expenses:

Direct program costs - training, retraining and readjustment	25,893,079
General and administrative	<u>2,059,352</u>
Total expenses	<u>27,952,431</u>

Change in Net Assets 75,929

Net Assets, Beginning of Year 2,279,118

Net Assets, End of Year \$ 2,355,047

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

Cash Flows From Operating Activities:

Change in net assets	\$ 75,929
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	218,649
Change in operating assets and liabilities:	
Grants and other receivables	(1,049,181)
Prepaid expenses and other current assets	481,855
Deposits	9,398
Accounts payable and accrued expenses	922,743
Accrued compensation	110,154
Grant advances	215,428
Deferred rent	(67,477)
Net Cash From Operating Activities	<u>917,498</u>

Cash Flows From Investing Activities:

Purchases of property and equipment	(141,102)
Net Cash From Investing Activities	<u>(141,102)</u>

Net Decrease in Cash and Cash Equivalents	776,396
Cash and Cash Equivalents, Beginning of Year	<u>1,396,885</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,173,281</u>

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1 - Nature of Organization

Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida ("Organization") was established on September 12, 1996 as a nonprofit organization to promote and enhance productive employment of individuals in the Florida counties of Orange, Seminole, Osceola, Lake and Sumter (Region 12). The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996 consistent with the provisions of job training, job placement and benefit services to the citizens of the five counties. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations.

The Organization is the grant recipient and grant administrator for the following grants in Region 12:

Welfare Transition Services (WTS)

WTS programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

Workforce Investment Act (WIA)

WIA programs provide youth, unskilled 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.

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 and employers who are seeking workers.

Food Stamp Employment & Training (FSET)

FSET programs provide matching grants for administrative operating costs of the Food Stamp Program.

Disabled Veterans Outreach Program (DVOP)

The DVOP program is designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

Local Veterans Employment Representative Program (LVER)

The LVER program provides job development, placement and support services directly to veterans.

Unemployment Insurance (UI)

The UI grant provides funds to administer the program of unemployment insurance for eligible workers through Federal and State cooperation.

Trade Adjustment Assistance (TAA)

The TAA grant provides funding for the individuals who have lost jobs due to the export of those jobs.

Temporary Assistance for Needy Families (TANF)

TANF provides cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation-The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All of the net assets of the Organization are classified as unrestricted and are not subject to donor imposed stipulations.

Cash Equivalents-For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition-Government grant revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received.

Functional Expenses-The costs of providing the various programs are summarized as program services in the statement of activities. Payroll and other expenses associated with programs are charged directly to program services. General and administrative expenses represent indirect costs of administering programs.

Property and Equipment-Property and equipment is stated at cost and are defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 9 years. Leasehold improvements are amortized over the shorter of the estimated useful life or the term of the lease.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds from the sale of the assets therefrom, is subject to applicable regulations.

Deferred Rent-The Organization leases certain facilities under lease agreements that provide for rent abatement and escalating rental payments. Minimum base rent for these leases is recorded on a straight-line basis over the term of the lease and rent expense in excess of amounts paid is recorded as a deferred rent liability and amortized as a reduction in rent expense over the term of the lease.

Income Taxes-The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk-The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation ("FDIC") covers \$250,000 for substantially all depository accounts.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of year-end, the Organization had a balance of \$2,104,942 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

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

Fair Value of Financial Instruments- The respective carrying values of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, grants and other receivables, accounts payable and accrued expenses, accrued compensation, and grant advances.

Subsequent Events- The Organization has evaluated events and transactions occurring subsequent to June 30, 2016 as of February 2, 2017, which is the date the financial statements were available to be issued. Subsequent events occurring after February 2, 2017 have not been evaluated by management. No material events have occurred since June 30, 2016 that require recognition or disclosure in the financial statements.

Note 3 - Grants Receivable

Grants receivable consist of the following due in less than one year as of June 30, 2016:

Workforce Investment Act (WIA)	\$	2,743,974
Reemployment and Eligibility Assessments (UCRE)		86,139
Temporary Assistance for Needy Families (TANF)		54,957
National Emergency (WNSP)		33,226
Food Stamp, Employment Training (FSH)		19,017
Trade Adjustment Assistance (TAA)		9,323
UC Program (UCB)		4,853

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 4 - Grant Advances

Grant advances represent the excess of grant funds received over allowable costs incurred. Grant advances as of June 30, 2016 consist of the following:

Trade Adjustment Assistance	\$	222,641
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Note 5 - Leases

The Organization leases its corporate offices, one-stop centers and office equipment under operating leases, which expire at various dates from July 2016 through April 2020, including renewal options. Generally, the facility leases contain escalation clauses providing for annual increases in the monthly rents. The Organization is also obligated to pay a proportional share of the insurance, repairs, taxes and maintenance costs for the leased office space.

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

2017	\$	1,169,526
2018		1,101,581
2019		938,157
2020		726,260
	\$	3,935,524

Rent expense for the year ended June 30, 2016 was \$1,561,699.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 6 - Retirement Plan

The Organization maintains a retirement plan in accordance with Section 403(b) of the Internal Revenue Code for all employees who have completed six months of service. Under the terms of the plan, the Organization makes contributions to the plan each year for each eligible employee in an amount equal to 50% of the employee's elective deferral, plus 3% of annual salary, the total not to exceed 6% of eligible employees' annual salary. Total contributions by the Organization for the year ended June 30, 2016 were \$678,423.

Note 7 – Contingencies

Federal Grants and Questionable Costs

The Organization's operations are funded by grants through contracts from federal government agencies which are passed through the Florida Department of Economic Opportunity ("DEO") f/k/a Florida Agency for Workforce Innovation ("AWI"). The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

Litigation

The Organization is party to various claims and legal actions arising in the ordinary course of business. Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Organization.

Note 8 – Related Party Transactions

The Organization recorded \$1,300,907 of tuition and other fees to entities that had employees on the Board of Directors during the year ended June 30, 2016.

SUPPLEMENTARY INFORMATION

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
Schedule of Expenditures of Federal Awards

JUNE 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title/Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture:		
Passed through the State of Florida Department of Economic Opportunity:		
Food Stamp, Employment and Training-SNAP Cluster	10.561	\$ 928,100
Total United States Department of Agriculture		<u>928,100</u>
United States Department of Labor:		
Passed through The University of Central Florida		
H-1B Job Training Grants	17.268	54,474
Training for Manufactured Construction (TRAMCON) Consortium		45,000
Passed through the State of Florida Department of Economic Opportunity		
Wagner Peyser	17.207	2,329,496
Performance Incentive	17.207	124,130
Disabled Veterans' Outreach Program	17.801	160,000
Local Veterans' Employer Representative Program	17.804	100,000
		<u>2,713,626</u>
Unemployment Compensation Program	17.225	235,414
Reemployment and Eligibility Assessments	17.225	658,414
		<u>893,828</u>
Trade Adjustment Assistance	17.245	60,255
National Emergency NEG Sector Partnership	17.277	60,107
WIA Cluster		
WIA Adult	17.258	6,343,102
WIA Youth	17.259	4,484,262
WIA Dislocated Worker	17.278	5,261,092
		<u>16,088,456</u>
Total United States Department of Labor		<u>20,843,845</u>
United States Department of Energy		
Passed through Osceola County:		
Energy Efficiency and Conservation Block Grant	81.128	133,208
Total United States Department of Energy		<u>133,208</u>
United States Department of Health and Human Services:		
Passed through the State of Florida Department of Economic Opportunity:		
Temporary Assistance for Needy Families (TANF)	93.558	6,211,620
Total United States Department of Health and Human Services		<u>6,211,620</u>
Total Expenditures of Federal Awards		<u>\$ 27,188,673</u>

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements.

All of the Organization's federal awards were in the form of cash assistance for the year ended June 30, 2016.

Note 2 – Reconciliation of financial records to the One Stop Management Information System ("OSMIS"):

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

Note 3 – Indirect Cost Rate :

The Organization did not elect to utilize the 10% de minimis indirect cost rate.

OTHER REPORTS

**Report of Independent Auditor 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
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida

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 Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 2, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 2, 2017

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance

Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida

Report on Compliance for Each Major Federal Program

We have audited Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2016. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the 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, 2016.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or 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 the 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.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 2, 2017

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

Part I - Summary of Audit Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no	

Federal Programs

Type of auditor report issued on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<u> </u> yes	<u> X </u> no	

Federal Program or Cluster

CFDA No.

Food Stamp, Employment and Training - SNAP Cluster	10.561
Unemployment Compensation Program Reemployment and Eligibility Assessments	17.225
Temporary Assistance for Needy Families (TANF)	93.558
Dollar threshold used to distinguish between type A and type B programs	<u>\$ 815,660</u>
Federal awards programs	
Auditee qualified as low-risk auditee for federal purposes	<u> X </u> yes <u> </u> no

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CENTRAL FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2016

Part II – Financial Statements Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III – Federal Award Finding and Questioned Costs Section

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR Part 200, Appendix XI.

There were no findings required to be reported by 2 CFR Part 200, Appendix XI.

Prior Year Audit Findings:

There were no findings required to be reported.