



Thursday, February 28, 2019 – 9:00 AM
4902 Eisenhower Blvd., Ste. 250, Tampa, FL
Conference Dial: 1-800-511-7985
Conference Code: 605-9608#

Audit Committee Agenda

- I. **Welcome and Introductions** Sophia West, Chair

- II. **Public Comments**

- III. **Action/Discussion Items**
 - 1. Approval of Minutes – **August 2, 2018** Audit Committee Meeting..... Page 2
 - 2. Approval of Annual Financial Audit for fiscal year ending June 30, 2018
..... A. Munro, Page 4
 - 3. Approval of Agreed Upon Procedures Report A. Munro, Page 33

- IV. **Information Items**
 - 1. Communication with those Charged with Governance A. Munro, Page 38

- V. **Old Business / Outstanding Action Items**
 - 1. Formal Procurement of Audit Services
 - 2. Formal Procurement of Legal Services

- VI. **Adjournment**

CareerSource Tampa Bay Minutes of Audit Committee Meeting

Date: August 2, 2018, 1:30 pm
Location: 4902 Eisenhower Blvd., Ste. 250, Tampa, FL

Call to Order

Chair Sophia West called the meeting to order at 1:45 p.m. There was a quorum present with the following Audit Committee members participating.

Board members in attendance

Sophia West, Commissioner Sandra Murman,

Staff Present

Juditte Dorcy, Sheila Doyle, Anna Munro, Mai Russell

BOCC Liaison/Representative

Kenneth Jones, Ron Barton

▶ indicates committee action

Public Comments

There was none.

Action/Discussion Items

▶ Approval of Minutes:

A motion to approve the minutes of **February 5, 2018 Audit Committee Meeting** was made by Commissioner Murman and seconded by Kenneth Jones. The motion carried.

▶ Action Item - Supportive Service Cards

Staff member Munro referenced the Audit Committee Agenda packet and went through the agreed upon procedures that were listed in the packet. Discussion ensued on the supportive service process, provider of supportive service cards, supportive service amounts and the similar review conducted by CareerSource Pinellas of supportive service cards. Staff member Dorcy noted supportive service cards issued on performance benchmarks has been suspended temporarily and only needs based supportive service cards will be issued.

A motion to approve the recommendation to review supportive services to include eligibility, performance benchmark and financial analysis.

Motion by: Kenneth Jones

Second by: Commissioner Murman

The motion carried.

▶ Action Item - Consolidate Audit & Finance Committees

BOCC Liaison Jones and BOCC Representative Barton discussed the benefits of consolidating the Audit and Committee into one.

A motion to approve the consolidation of Audit and Finance Committee.

Motioned by: Kenneth Jones

Seconded by: Commissioner Murman

Staff member Russell noted the next step would be to amend the by-laws.

Board member West opened the room for questions or recommendations:

- Third party contracts: Reviewed and discussed certain 3rd party contracts, the nature of the contracts and whether there was a need to re-bid.
- Procurement:
 - Threshold: Review procurement policy thresholds and provide recommendations. Obtain thresholds at other workforce boards of the dollar threshold that requires board approval. Review procurement process and contract approval process for contracts that require board approval.
 - Formally procure:
 - Audit Contact for 18/19– Motioned by Kenneth Jones and second by Commissioner Murman and to bring to Executive Committee on Aug 19th
 - Legal Services – Motioned by Kenneth Jones and second by Commissioner Murman and to bring to Executive Committee on Aug 19th
- Monitoring: discussed internal and external monitoring's that are conducted throughout the year.
 - Provide report of internal and external monitoring that is conducted for the next Committee meeting.
 - Discussed additional areas of internal monitoring's that can be conducted of the Organization (i.e., payroll)

Adjournment

The meeting was adjourned at approximately 3:00 p.m.



Action Item

Annual Financial Audit For the Fiscal Year Ended June 30, 2018

Background

The audit firm of Powell & Jones, CPAs has completed the annual financial audit of Tampa Bay WorkForce Alliance, Inc. for the fiscal year ended June 30, 2018.

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

Recommendation

Approval of the Annual Financial Audit for the fiscal year ended June 30, 2018.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Financial Statements, Supplemental Information and Regulatory Reports

June 30, 2018 and 2017

(With Independent Auditor's Report Thereon)

DRAFT

TAMPA BAY WORKFORCE ALLIANCE, INC.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Tampa Bay Workforce Alliance, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tampa Bay Workforce Alliance, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2018, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tampa Bay Workforce Alliance, Inc., as of June 30, 2018 and the respective changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2019 on our consideration of the Organization's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Tampa Bay Workforce Alliance, Inc.'s 2017 financial statements, and our report dated January 12, 2018 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



POWELL & JONES
Certified Public Accountants
January 23, 2019

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Financial Position

June 30, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 1,101,717	\$ 144,713
Grants receivable	492,547	2,754,975
Accounts receivable	100,904	31,502
Prepaid expenses	402,851	404,507
	<u>2,098,019</u>	<u>3,335,697</u>
Total current assets	2,098,019	3,335,697
Noncurrent assets:		
Restricted cash	312,334	326,995
Property and equipment, net	914,815	1,053,742
	<u>1,227,149</u>	<u>1,380,737</u>
Total noncurrent assets	1,227,149	1,380,737
Total assets	<u>\$ 3,325,168</u>	<u>\$ 4,716,434</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 62,515	\$ 67,712
Contracts payable	271,270	129,611
Participants payable	304,536	880,845
Accrued expenses	540,816	699,786
Deferred grant revenue	374,081	1,020,230
Deferred revenue	9,580	19,159
	<u>1,562,798</u>	<u>2,817,343</u>
Total liabilities	1,562,798	2,817,343
Net assets:		
Unrestricted	1,450,036	1,572,096
Unrestricted - Board designated	312,334	326,995
	<u>1,762,370</u>	<u>1,899,091</u>
Total net assets	1,762,370	1,899,091
Total liabilities and net assets	<u>\$ 3,325,168</u>	<u>\$ 4,716,434</u>

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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Activities

Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted revenues and support:		
Grants		
Federal	\$ 16,731,251	\$ 20,089,685
Contributions and sponsorships	8,500	16,475
Other	<u>131,140</u>	<u>235,911</u>
Total Revenues	<u>16,982,654</u>	<u>20,342,071</u>
Expenses:		
Program services		
Workforce development	15,691,022	18,830,188
Supporting services		
General and administrative	<u>1,428,353</u>	<u>1,291,264</u>
Total Expenses	<u>17,119,375</u>	<u>20,121,452</u>
Changes in unrestricted net assets	(136,721)	220,619
Net assets at beginning of year	<u>1,899,091</u>	<u>1,678,472</u>
Net assets at end of year	<u>\$ 1,762,370</u>	<u>\$ 1,899,091</u>

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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Functional Expenses

Year Ended June 30, 2018
(With Comparative Totals for 2017)

	Workforce Development	General and Administrative	Total	
			2018	2017
Salaries	\$ 7,098,413	\$ 642,564	\$ 7,740,977	\$ 8,476,256
Retirement	271,810	24,605	296,415	378,697
Payroll taxes and fringe	515,668	46,679	562,347	630,310
Staff training and education	12,485	1,130	13,615	8,886
Accounting and professional	468,817	227,298	696,115	509,556
Community outreach	177,452	16,063	193,515	264,858
Communications	105,011	9,506	114,517	166,800
Office expenses	319,689	28,939	348,628	1,085,982
Licenses, dues and other fees	22,455	2,033	24,488	22,892
Other expenses	1,460	132	1,592	473
Occupancy	1,118,328	101,234	1,219,562	1,321,902
Travel	92,780	8,399	101,179	105,868
Meetings and conferences	1,108	100	1,208	39,904
Insurance	151,686	13,731	165,417	157,026
Service provider contracts	508,317	-	508,317	288,473
Customer training	4,825,543	-	4,825,543	6,432,608
Loss on disposal	-	96,610	96,610	-
Depreciation	-	209,330	209,330	230,961
Total expenses	\$ 15,691,022	\$ 1,428,353	\$ 17,119,375	\$ 20,121,452

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

TAMPA BAY WORKFORCE ALLIANCE, INC.

Statements of Cash Flows

Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (136,721)	\$ 220,619
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	209,330	230,961
Loss on disposal	96,610	-
Changes in assets and liabilities:		
Decrease (Increase) in grants receivable	2,262,428	(1,916,677)
Decrease (Increase) in accounts receivable	(69,402)	(1,081)
Decrease in prepaid expenses	1,656	51,319
Decrease in accounts payable	(5,197)	(94,041)
Increase in contracts payable	141,659	78,908
(Decrease) Increase in participants payable	(576,309)	268,353
(Decrease) Increase in accrued expenses	(158,970)	264,064
(Decrease) Increase in deferred grant revenue	(646,149)	932,375
(Decrease) Increase in deferred revenue	(9,579)	19,159
Net cash provided by operating activities	<u>1,109,356</u>	<u>53,959</u>
Cash flows from investing activities:		
Acquisition of property and equipment	<u>(167,013)</u>	<u>(295,655)</u>
Net cash used in investing activities	<u>(167,013)</u>	<u>(295,655)</u>
Net increase (decrease) in cash	942,343	(241,696)
Cash, beginning of year	<u>471,708</u>	<u>713,404</u>
Cash, end of year	<u>\$ 1,414,051</u>	<u>\$ 471,708</u>
Supplemental disclosures:		
As shown on Statement of Financial Position		
Cash and cash equivalents	\$ 1,101,717	\$ 144,713
Restricted cash	312,334	326,995
Cash, end of year	<u>\$ 1,414,051</u>	<u>\$ 471,708</u>

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

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

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

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

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

(a) **Basis of Accounting**

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

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

(b) **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, TBWA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the years ended June 30, 2018 and 2017 TBWA's net assets were unrestricted. Unrestricted net assets consist of unrestricted amounts that are available for carrying out the operations of TBWA. These include those expendable resources which have been board designated for accrued paid time off. For the year ended June 30, 2018 and 2017, the accrued paid time off totaled \$312,334 and \$326,995, respectively.

(c) **Liquidity**

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

(d) **Cash and Cash Equivalents**

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

(e) **Accounts Receivable**

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

(f) **Prepaid Expenses**

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

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

(g) **Property and Equipment**

Property and equipment are stated at cost, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is recognized over the estimated useful lives of the assets of three to seven years for property and equipment and fifteen years for leasehold improvements, using the straight-line method. All expenditures for property less than \$5,000 are expensed when purchased.

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

(h) **Personal Time Off**

TBWA employees are entitled to personal time off (PTO) which combines time off for personal, vacation and sick leave. PTO is based on length of employment and other factors. PTO is accrued when earned. PTO of \$312,334 and \$326,995 are included as a component of accrued expenses in the Statement of Financial Position at June 30, 2018 and 2017, respectively.

(i) **Participants Payable**

TBWA provides eligible participants a forum for training in demand driven occupations through On-the-Job Training (OJT) and Occupational Skills Training (Individual Training Account – ITA). With an OJT, a local employer provides on-the-job training for a full-time salary or hourly position listed in TBWA's targeted occupation list. TBWA reimburses the employer for a fixed portion of the OJT training costs. ITA provides eligible participants a pre-established amount of funding to access approved training programs, provided by eligible training providers, in order to qualify for occupations that are in high demand in the local area and throughout the state. Costs associated with training services received but not paid as of the end of the fiscal year are \$304,536 and \$880,845 at June 30, 2018 and 2017, respectively, and recorded as participant payable in the Statements of Financial Position.

(j) **Retirement Plan**

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

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

(k) **Income Taxes**

TBWA is a not-for-profit corporation under the laws of the State of Florida and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. TBWA believes that it has no liability for taxes with respect to unrelated business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

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

TBWA’s policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none were recognized since there was no material impact of the application of this standard for the years ended June 30, 2018 and 2017. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, “Return of Organization Exempt from Income Tax” with the Internal Revenue Service. The returns for 2018, 2017 and 2016 are subject to review and adjustment by the Internal Revenue Service.

(l) **Revenue Recognition**

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

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

Certain Federal programs require cost sharing (match) or leveraged contributions as a condition of the grant award. This match or leveraged contributions may be cash, in-kind or a combination. The amount of qualifying contributions received during the fiscal year ended June 30, 2018 and 2017 totaled \$1,209,234 and \$560,166, respectively. These amounts are not recorded in the Statements of Activities as they do not meet the criteria for financial statement recognition.

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

(n) **Use of Estimates**

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

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

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

(p) **Functional Allocation of Expenses**

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

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

(q) **Advertising Expenses**

The Organization expenses Community Outreach costs as incurred. Community Outreach expense for the years ended June 30, 2018 and 2017 totaled \$193,515 and \$264,858, respectively.

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Financial Statements - Continued

(3) **Grants Receivable**

Grants receivable is comprised of the following federal awards at June 30, 2018 and 2017:

Federal awards:	2018	2017
U.S. Department of Agriculture		
Supplemental Nutrition Assistance Program	\$ -	\$ 14,803
U.S. Department of Labor		
Employment Service Cluster	133,602	169,610
Reemployment Services and Eligibility Assessment	31,680	-
Unemployment Insurance	-	6,429
Trade Adjustment Assistance	11,865	14,366
National Emergency - Sector Partnership	56,415	45,500
Job-Driven (JD) National Emergency Grant	-	14,400
Workforce Innovation and Opportunity Act (WIOA) Cluster	-	1,434,893
H-1B Job Training Grant (Tech Hire Partnership Grant)	213,080	99,790
U.S. Department of Health and Human Services		
Temporary Assistance for Needy Families	45,860	955,184
Local award:		
City of Tampa		
Tampa Housing Job Plus Grant	45	-
	<u>\$ 492,547</u>	<u>\$ 2,754,975</u>

(4) **Property and Equipment**

Property and equipment consists of the following at June 30, 2018 and 2017:

	2018	2017
Equipment	\$ 775,842	\$ 877,495
Software	19,782	19,782
Furniture	345,001	345,001
Leasehold improvements	2,409,327	2,556,672
Total cost	<u>3,549,952</u>	<u>3,798,950</u>
Accumulated depreciation	2,635,137	2,745,208
Property and equipment, net	<u>\$ 914,815</u>	<u>\$ 1,053,742</u>

Depreciation expense for the year ended June 30, 2018 and 2017 totaled \$209,330 and \$230,961, respectively.

Notes to Financial Statements - Continued

(5) Deferred Grant Revenue

Deferred grant revenue is comprised of the following federal awards at June 30, 2018 and 2017:

Federal awards:	2018	2017
U.S. Department of Agriculture		
Supplemental Nutrition Assistance Program	\$ 7,901	\$ -
U.S. Department of Labor		
Workforce Innovation and Opportunity Act (WIOA) Cluster	180,061	973,700
Reemployment Services and Eligibility Assessment	-	46,530
Local award:		
Citi Foundation	186,119	-
	\$ 374,081	\$ 1,020,230

(6) Commitments**(a) Facilities**

TBWA leases facilities (workforce program offices and administrative office) under cancelable and non-cancelable lease agreements. Pursuant to the original lease document the lease shall remain ongoing until cancelled by either party. The lessor or lessee shall have the right to terminate for any reason, without penalty, with one hundred eighty (180) days written notice. Lease payments, net of sublease payments, were approximately \$1,116,000 and \$1,274,423 for the year ending June 30, 2018 and 2017, respectively. In addition, TBWA has entered into sublease arrangements with several of its service partners whereby the partners use office space in the Workforce Centers. The sublease agreements cover a one-year period and are renewable annually. TBWA received approximately \$105,000 and \$51,000 in sublease payments for the year ending June 30, 2018 and 2017, respectively.

Future minimum lease payments that have remaining terms in excess of one year as of June 30, 2018:

Year Ending June 30,	Amount
2019	\$ 409,000
2020	248,000
2021	221,000
2022	226,000
	\$ 1,104,000

Notes to Financial Statements - Continued

(6) Commitments - Continued**(b) Equipment**

TBWA entered into an operating lease for copiers and other office equipment. The minimum rental payments for the remaining fiscal years ending June 30, 2018 are approximately:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 55,000
2020	56,000
2021	53,000
2022	53,000
2023	18,000
	<u>\$ 235,000</u>

(7) Employment Benefits**(a) Retirement Plan**

TBWA employees are employees of WorkNet Pinellas, Inc. (WorkNet). WorkNet provides a 401(k) Plan (the Plan). The Plan may provide two types of employer contributions, a non-elective contribution (NEC) and a matching contribution to eligible participants. The NEC is provided to all eligible employees regardless if the employee contributes to the Plan and equals 5% of the employee's eligible earnings. The matching contribution is only provided to those employees who elect to contribute to the Plan. WorkNet elected to provide the NEC but not matching contributions. Employer contributions totaled \$296,414 and \$378,696 for the year ended June 30, 2018 and 2017, respectively.

(b) Benefit Stipend

A benefit stipend is provided to eligible employees. The stipend equals 28% of the employee's eligible earnings. It is included as part of the employee's gross pay and paid twice a month over 24 pay periods. The stipend totaled \$1,535,108 and \$1,540,806 for the year ended June 30, 2018 and 2017, respectively.

(8) Special Reporting Considerations

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

(9) Concentration of Credit Risk

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

(10) Grants

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

(11) Legal Matters

At year-end, TBWA is being investigated by certain state and federal agencies regarding its operations and utilization of grant funds. As of the date of the financial statements, these state and federal investigations are ongoing and the final results have not been released. Management believes there are sufficient unrestricted resources to pay any potential claims resulting from these investigations.

TBWA is also involved in various legal actions that, in the opinion of management, will not have a significant effect on the financial position or results of operations of TBWA. Legal actions that pertain to employment matters are generally covered by TBWA's liability insurance.

(12) Related Party Transactions

In accordance with applicable regulations, TBWA's Board of Directors includes representatives of private and public sector industries, with which board members are associated for the purpose of providing services to participants. Total payments for providing services to participants during the year ended June 30, 2018 and June 30, 2017 were approximately \$519,711 and \$155,000, respectively, and accounts payable at June 30, 2018 and 2017 were approximately \$152,000 and \$48,000.

(13) Comparative Data

The financial statements include certain prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with TBWA's financial statements for the year ended June 30, 2017, from which the summarized data was derived.

(14) Subsequent Events

General

TBWA has evaluated subsequent events from the statement of financial position date January 23, 2019 the date the financial statements were available to be issued.

Shared Services Agreement

TBWA and WorkNet Pinellas, Inc., d/b/a CareerSource Pinellas (WorkNet) entered into a shared services agreements in 2011 whereby the two separate and unrelated organizations shared the services of the Chief Executive Officer, other senior management, and certain other administrative services. Under this arrangement, WorkNet was the employer of record for all employees of both organizations, and all shared services costs were equitably allocated based upon services utilized. Effective September 1, 2018, subsequent to year end, these agreements were not renewed.

SUPPLEMENTAL INFORMATION

DRAFT

TAMPA BAY WORKFORCE ALLIANCE, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

<u>Federal/State Agency Pass-Through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Thru Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amount to Subrecipients</u>
U.S. Department of Agriculture				
Passed through the Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program	10.561	33515, 34880, 32975	\$ 807,181	-
Total U.S. Department of Agriculture			<u>807,181</u>	<u>-</u>
U.S. Department of Labor				
Passed through the Department of Economic Opportunity:				
Employment Service Cluster:				
Wagner Peyser	17.207	31574, 33820	1,213,340	-
Military Spouse	17.207	33845	98,434	-
Disabled Veterans Outreach Program	17.801	33440, 35360	222,116	-
Local Veterans Employment Representative Program	17.804	33465, 35335	51,638	-
Subtotal Employment Service Cluster			<u>1,585,528</u>	<u>-</u>
Unemployment Insurance	17.225	33490	18,677	-
Reemployment Services and Eligibility Assessment	17.225	34784, 32850, 35670	653,196	-
Trade Adjustment Assistance	17.245	34610, 32479, 34585, 32164, 34635, 36550	88,948	-
National Emergency - Sector Partnership	17.277	29654	136,415	-
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult	17.258	31689, 33665, 33195, 35260, 35630, 36538, 33640	2,363,711	-
WIOA Youth	17.259	31134, 33415, 33195, 35260, 35630, 36538, 33640	2,863,552	-
WIOA Dislocated Worker	17.278	31765, 33690, 33195, 35310, 35260, 35060, 35630, 36538, 33640, 33380	2,946,630	-
Subtotal WIOA Cluster			<u>8,173,893</u>	<u>-</u>
Subtotal Department of Economic Opportunity			<u>10,656,657</u>	<u>-</u>
H-1B Job Training Grant (Tech Hire Partnership Grant)	17.268	HG-29364-16-60-A-12	1,133,871	312,025
Subtotal Direct U.S. Department of Labor			<u>1,133,871</u>	<u>312,025</u>
Total U.S. Department of Labor			<u>11,790,528</u>	<u>312,025</u>
U.S. Department of Health and Human Services				
Passed through the Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	34385	4,133,542	196,292
Total U.S. Department of Health and Human Services			<u>4,133,542</u>	<u>196,292</u>
Total Federal Awards			<u>\$ 16,731,251</u>	<u>508,317</u>

See Notes to Schedule of Expenditures of Federal Awards

TAMPA BAY WORKFORCE ALLIANCE, INC.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of TBWA under programs of the federal government passed through the Department of Economic Opportunity for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of TBWA, it is not intended to and does not present the financial position, changes in net assets or cash flows of TBWA.

(2) Basis of Accounting

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

(3) Property and Equipment

Property and equipment of approximately \$167,000 was purchased using federal grant awards during fiscal year ending June 30, 2018. These amounts are included in the Schedule but excluded from the statement of activities as the amount has been capitalized for financial statement purposes and recorded as property and equipment on the statement of position.

(4) Match and Leveraged Contributions and Expenses

Cost sharing (match) or leveraged contributions is a requirement of certain Federal programs and may be fulfilled with in-kind or cash. In-kind match may be in the form of equipment, supplies, and other expendable property, donated time, and the value of goods and services that directly benefit and are specifically identifiable to the Federal program. Cash match may include cash provided for grant activities by TBWA, salaries paid by employers providing incumbent worker training and cash received from partners. Match or leveraged contributions is not reported in the accompanying schedule of expenditures of federal awards as they do not represent amounts expended. Leveraged contributions of \$1,209,234 represents salaries paid by an employer providing incumbent worker training for the H-1B Job Training Grant (TechHire Partnership Grant).

(5) Indirect Cost Rate

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

REGULATORY REPORTS

DRAFT

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

The Board of Directors
Tampa Bay Workforce Alliance, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tampa Bay Workforce Alliance, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2018, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 23, 2019.

Internal Control over Financial Reporting

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

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

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

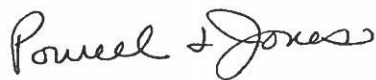
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct

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

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
January 23, 2019

DRAFT

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

Board of Directors
Tampa Bay Workforce Alliance, Inc.

Report on Compliance for Each Major Federal Program

We have audited Tampa Bay Workforce Alliance, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tampa Bay Workforce Alliance, Inc.'s major federal programs for the fiscal year ended June 30, 2018. Tampa Bay Workforce Alliance, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tampa Bay Workforce Alliance, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements or Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005. Those standards, the Uniform Guidance, and DEO guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tampa Bay Workforce Alliance, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tampa Bay Workforce Alliance, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tampa Bay Workforce Alliance, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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



POWELL & JONES
Certified Public Accountants
January 23, 2019

TAMPA BAY WORKFORCE ALLIANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a) No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.207	Employment Services Cluster
17.801	Watner Peyser
17.804	Disabled Veterans Outreach Program
	Local Veterans Employment Representative Program
17.268	H-1B Technical Skills Training Grant
93.558	Temporary Assistance for Needy Families

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

None

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Action Item

Agreed Upon Procedures (AUP) Supportive Services Card

Background:

The audit firm of Powell & Jones, CPAs has completed the Agreed Upon Procedures review of the receipt, distribution, issuance, monitoring and storage of supportive services cards to ensure compliance for the fiscal years ending June 30, 2014 through June 30, 2017.

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

Recommendation

Approval of the Agreed Upon Procedures Report of supportive services cards.

TAMPA BAY WORKFORCE ALLIANCE, INC.
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
February 5, 2019

DRAFT



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

February 5, 2019

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

We have performed the procedures enumerated below, which were agreed to by the Management of Tampa Bay Workforce Alliance, Inc. solely to assist you in determining whether CareerSource Tampa Bay staff has complied with established internal control policies and procedures, as well as applicable federal and state laws and regulations relating to the administration of supportive service cards for the fiscal years ended June 30, 2014 through 2017. Tampa Bay Workforce Alliance, Inc. is responsible for the establishment and maintenance of effective internal controls over financial reporting and the safeguarding of these assets. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

OUR PROCEDURES AND FINDINGS

Supportive Service Cards

Overview

Tampa Bay Workforce Alliance, Inc. utilizes supportive service cards (prepaid Visa cards) as components of providing eligible supportive services to its eligible participants. This practice is specifically authorized in federal regulations relating to the Workforce Innovation and Opportunity Act (WIOA), Welfare Transition, and other grant-funded training programs. Such programs are also widely used by other Workforce Boards in Florida and across the country.

Objective

We were engaged to review Tampa Bay Workforce Alliance, Inc.’s policies and procedures relating to the receipt, distribution, issuance, monitoring and storage of the supportive service cards for each of the four years, and to determine the adequacy of internal controls and compliance with the written procedures regarding these cards.

Our Procedures

We obtained the written Tampa Bay Workforce Alliance, Inc. policies and procedures relating to the administration of the supportive services card program applicable to each of the fiscal years ended June 30, 2014 through June 30, 2017. These included any revisions that were made to the policies during the course of the four fiscal years. We reviewed these policies and procedures for compliance with the Welfare Transition and WIOA requirements regarding the utilization of supportive service cards. We also reviewed the established procedures relating to internal controls over those processes.

We selected a sample of 262 incentive cards issued to participants during the four year period as follows:

<u>Fiscal Year Ended</u>	<u>Selected</u>
June 30, 2014	65
June 30, 2015	56
June 30, 2016	60
June 30, 2017	81
	<u>262</u>

- We requested corroborative documentation relating to each card issued in order to verify the following:
 1. Participant was eligible to receive issued card.
 2. The required financial analysis was properly completed for each participant.
 3. The value of cards issued to each participant did not exceed authorized maximums in the policy.
 4. Adequate documentation existed to support the required benchmarks for the cards issued.

- We also selected a sample of monthly incentive card reconciliations to verify that the inventory of cards on hand agreed with the associated accounting records.

Our Findings

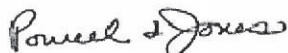
Based upon our procedures we found the following:

1. The documentation maintained for supportive services cards issued to participants in our sample was generally adequate to support eligibility for the cards issued.
2. The required financial analysis was properly completed for each participant.
3. The value of the cards issued to participants did not exceed the maximums authorized in the applicable policies.
4. There was adequate documentation to support the applicable benchmark for each card issued.
5. The selected monthly incentive card reconciliation of the inventory of cards on hand agreed with the associated accounting records.

CONCLUSION

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with established internal control policies and procedures, as well as applicable federal and state laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and Management of Tampa Bay Workforce Alliance, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties. We do acknowledge that this report is a public record under Florida Law.



POWELL & JONES
Certified Public Accountants
February 5, 2019



INFORMATION

Communication with those Charged with Governance

Auditors are required to make certain communications to those charged with governance per the American Institute of CPAs (AICPA). The letter is an AICPA required communication letter for all financial audits. Richard Powell from the audit firm that conducted the June 30, 2018 financial audit will present the required communications to the Audit Committee.



Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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Communication with Those Charged with Governance

January 23, 2019
To the Board of Directors
Tampa Bay Workforce Alliance, Inc.

We have audited the financial statements of Tampa Bay Workforce Alliance, Inc. for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tampa Bay Workforce Alliance, Inc. are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Tampa Bay Workforce Alliance, Inc.'s financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 23, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee, Board of Directors and management of Tampa Bay Workforce Alliance, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones, CPAs
January 23, 2019