

IMG ACADEMY, LLC

DIVISION OF COMMUNITY DEVELOPMENT
PROGRAM-SPECIFIC AUDIT

December 31, 2015

IMG ACADEMY, LLC

**DIVISION OF COMMUNITY DEVELOPMENT
PROGRAM-SPECIFIC AUDIT**

December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of
IMG Academy, LLC
Bradenton, Florida

Report on Schedule of Expenditures of State Financial Assistance

We have audited the accompanying schedule of expenditures of state financial assistance for Division of Community Development of IMG Academy, LLC for the year ended December 31, 2015.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statement of the program 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement of the program based on our audit.

We conducted our audit 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 Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 schedule of expenditures of state financial assistance referred to above presents fairly, in all material respects, the expenditures of state financial assistance under Division of Community Development in accordance with accounting principles generally accepted in the United States of America.



Shinn & Company, LLC
Certified Public Accountants

Bradenton, FL
June 30, 2017

IMG ACADEMY, LLC

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AND
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED December 31, 2015

<u>STATE AGENCY/ STATE PROJECT</u>	<u>CSFA NUMBER</u>	<u>EXPENDITURES</u>
<u>Department of Economic Opportunity</u>		
<i>Direct Program:</i>		
Division of Community Development	40.038	\$ 1,702,690

Note 1- Basis of Presentation:

The accompanying schedule of expenditures of state financial assistances includes the state grant activity of IMG Academy, LLC and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General.

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Members of
IMG Academy, LLC
Bradenton, Florida

We have audited the IMG Academy, LLC (the "Company") compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of the Company's major State projects for the year ended December 31, 2015. The Company's major State projects 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 State statutes, regulations, and the terms and conditions of its State awards applicable to its State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance on the Company's major State projects 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 Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General, 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 State project occurred. An audit includes examining, on a test basis, evidence about the Company'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 the Company's major State project. However, our audit does not provide a legal determination of the Company's compliance.

Opinion on Each Major State Project

In our opinion, the Company complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with Chapter (10.650), Rules of the Auditor General, and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each State project is not modified with respect to these matters.

The Company's response to the noncompliance findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The Company's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that could have a direct and material effect on the State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the State project and to test and report on internal control over compliance in accordance with Chapter (10.650), Rules of the Auditor General, 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 Company'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 State project 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 State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a State project 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be significant deficiencies.

The Company's response to the internal control over compliance findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The Company's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Shinn & Company, LLC
Certified Public Accountants

Bradenton, FL
June 30, 2017

IMG ACADEMY, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECT
FISCAL YEAR ENDED December 31, 2015

Summary of Auditor's Results

State Project

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
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 Chapter 10.656?	Yes

IMG ACADEMY, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECT – CONTINUED FISCAL YEAR ENDED December 31, 2015

Finding Number: 2015-001 **Agency:** Department of Economic Opportunity -
CSFA: 40.038
State Project Title: Division of Community Development

Criteria or specific requirement:

To complete a state single audit and provide certain deliverables to the grantor per the grant agreement.

Condition:

IMG Academy, LLC failed to submit a state single audit or certain deliverables per the grant agreement in a timely manner.

Questioned Costs:

None.

Context:

Our review of reporting information provided by IMG Academy LLC indicated that they did not meet the requirements per the grant agreement.

Effect:

IMG did not fulfill its requirement of timely submission of all Deliverables and Financial Reporting Package.

Cause:

Management did not file the required deliverables on a timely basis due to an oversight of the specific reporting requirements per the grant agreement.

Recommendation:

The entity should establish procedures that ensure better monitoring of the grant agreements so that all required reports are submitted on a timely basis.

Views of responsible officials and planned corrective actions:

Management will review all grant agreements in the future, and will put procedures in place to monitor the reporting requirements of each grant. An additional resource has been hired and one of their responsibilities is to specifically monitor and address grant reporting requirements with the State of Florida. They are actively and diligently working with State representatives to remedy this finding for previous grants.

OTHER ISSUES

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State projects at the time of the audit.

To the Members of IMG Academy, LLC, Florida.

Report on Schedule of Expenditures of State Financial Assistance

We have audited the accompanying schedule of expenditures of state financial assistance for the Local Economic Development Initiatives of IMG Academy, LLC for the year ended December 31, 2015.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.650, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the schedule of expenditures of state financial assistance Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each State Project and Report on Internal Control over Compliance in accordance with Chapter 10.650, Rules of the Florida Auditor General; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated, June 30, 2017, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the schedule of expenditures of state financial assistance or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be significant deficiencies. This letter summarizes our comments and suggestions regarding this item. This letter does not affect our report dated June 30, 2017, on the schedule of expenditures of state financial of IMG Academy, LLC.

Item 2015-001:

The monitoring and control of the grant agreement requirements were not organized in a manner that would ensure compliance with specific reporting requirements per the grant agreement.

IMG Academy, LLC should consider formalizing the monitoring and control of grant agreements to ensure that reporting requirements per the grant agreement are being met on a timely basis.

Management Response:

Management will review all grant agreements in the future, and will put procedures in place to monitor the reporting requirements of each grant. An additional resource has been hired and one of their responsibilities is to specifically monitor and address grant reporting requirements with the State of Florida. They are actively and diligently working with State representatives to remedy this finding for previous grants

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, other granting agencies, the *members of IMG Academy, LLC*, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Shinn & Company, LLC
Certified Public Accountants

Bradenton, FL
June 30, 2017