

CareerSource Florida, Inc.
Financial Statements
and Other Financial Information
Years ended June 30, 2021 and 2020



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CareerSource Florida, Inc.
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Years ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
CareerSource Florida, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of CareerSource Florida, Inc. as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CareerSource Florida, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Florida, Inc. as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CareerSource Florida, Inc.'s 2020 basic financial statements, and we expressed an unmodified audit opinion on those audited basic financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited basic financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CareerSource Florida, Inc.'s basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

Other Information (Continued)

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 and state financial assistance is fairly stated in all material respects in relation to the basic 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 September 29, 2021 on our consideration of CareerSource Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of CareerSource Florida, Inc.'s 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 CareerSource Florida, Inc.'s internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
September 29, 2021

CareerSource Florida, Inc. Management's Discussion and Analysis

This discussion and analysis of CareerSource Florida, Inc.'s financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2021. This analysis should be read in conjunction with the independent auditors' report (pages 1-3) and the basic financial statements, which begin on page 10.

Financial Highlights

Assets of CareerSource Florida, Inc. exceeded its liabilities at the close of the most recent fiscal year by \$1,273,234 (net position of \$1,048,431 is unrestricted). Assets exceeded liabilities at the close of the prior fiscal year by \$1,307,203 (net position of \$1,015,319 is unrestricted).

Government assistance, including pass-through grants, accounted for \$20,141,496 and \$16,293,436 in revenue for the years ended June 30, 2021 and 2020, respectively.

For the years ended June 30, 2021 and 2020, CareerSource Florida, Inc. spent \$2,192,293 and \$3,044,712, respectively, for Incumbent Worker Training programs, \$10,068,250 and \$5,190,045, respectively, for Quick Response Training, and \$7,914,966 and \$8,211,408, respectively, in other program costs, which include general, administrative, and contractual expenses. For the year ended June 30, 2021, CareerSource Florida, Inc. incurred \$20,175,509 in total expenses for a total increase of \$3,726,209 or 22.65% from the prior year. For the year ended June 30, 2020, CareerSource Florida, Inc. incurred \$16,449,300 in total expenses for a total decrease of \$899,680 or 5.19% from the prior year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CareerSource Florida, Inc.'s basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a broad overview of CareerSource Florida, Inc.'s finances, in a manner similar to a private-sector business. CareerSource Florida, Inc.'s government-wide financial statements include the statement of net position and the statement of activities.

The Statement of Net Position presents financial and capital resources of CareerSource Florida, Inc. Assets are reported when CareerSource Florida, Inc. acquires ownership over assets and liabilities are reported when they are incurred, regardless of the timing of the related cash flows. The difference between CareerSource Florida, Inc.'s total assets and total liabilities is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

CareerSource Florida, Inc. Management's Discussion and Analysis

The Statement of Activities presents revenue and expenses and shows how CareerSource Florida, Inc.'s net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the period.

Fund Financial Statements

Fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for the cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 16-27 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards and State Financial Assistance, which can be found on page 33. This schedule lists all Federal and State grants awarded to CareerSource Florida, Inc. and the related expenditures for the fiscal year ended June 30, 2021.

Government-wide Financial Analysis

One of the most important questions asked about CareerSource Florida, Inc.'s finances is, "Is CareerSource Florida, Inc., as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about CareerSource Florida, Inc.'s activities in a way that will help answer this question. These two statements report the net position of CareerSource Florida, Inc. and changes in them during the last reporting period. You may think of CareerSource Florida, Inc.'s net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in CareerSource Florida, Inc.'s net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in interest rates, economic conditions, regulations, and new or changed governmental legislation

The following schedule is a summary of the fiscal year 2021 Statement of Net Position, which can be found on page 10 of this report with comparative information for the fiscal years 2020 and 2019.

CareerSource Florida, Inc.
Management's Discussion and Analysis

CONDENSED FINANCIAL STATEMENTS
CAREERSOURCE FLORIDA, INC.'S STATEMENT OF NET POSITION

	2021	2020	2019
Current and other assets	\$ 9,784,138	\$ 14,508,964	\$ 19,468,846
Capital assets	224,803	291,884	376,620
Total assets	10,008,941	14,800,848	19,845,466
Long-term liabilities outstanding	202,511	252,405	199,442
Other liabilities	8,533,196	13,241,240	18,192,323
Total liabilities	8,735,707	13,493,645	18,391,765
Net position			
Net investment in capital assets	224,803	291,884	376,620
Unrestricted	1,048,431	1,015,319	1,077,081
Total net position	\$ 1,273,234	\$ 1,307,203	\$ 1,453,701

As noted earlier, changes in net position may serve over time as a useful indicator of an organization's financial position. For the year ended June 30, 2021, CareerSource Florida, Inc.'s net position is \$1,273,234, which is a decline of \$33,969 in net position for the year. This decrease in net position represented a decrease of approximately 2.60% from the \$1,307,203 net position in 2020, and is the result of a decrease in capital assets due to depreciation and amortization in 2021, net of the increase in unrestricted funds. For the year ended June 30, 2020, CareerSource Florida, Inc.'s net position is \$1,307,203, which is a decline of \$146,498 in net position for the year. This decrease in net position represented a decrease of approximately 10.08% from the \$1,453,701 net position in 2019, and is the result of a decrease in unrestricted funds in 2020, net of the decrease in capital assets due to depreciation and amortization. The majority of CareerSource Florida, Inc.'s net position is unrestricted and can be used for operations and program related expenses.

The following chart is a summary of the information presented in the 2021 Statement of Activities found on page 11 of this report, with comparative information in 2020 and 2019.

CareerSource Florida, Inc.
Management's Discussion and Analysis

CAREERSOURCE FLORIDA, INC.'S STATEMENT OF ACTIVITIES

	2021	2020	2019
Revenues			
Operating grants and contributions	\$ 20,141,496	\$ 16,293,436	\$ 17,343,244
Other income	44	9,366	6,936
Total revenues	20,141,540	16,302,802	17,350,180
Expenses			
Program services:			
Incumbent worker training	2,192,293	3,044,712	2,798,683
Quick response training	10,068,250	5,190,045	7,091,168
Performance model funding	-	3,135	142,314
Other program costs	7,914,966	8,211,408	7,316,815
Total expenses	20,175,509	16,449,300	17,348,980
Change in net position	(33,969)	(146,498)	1,200
Net position at beginning of year	1,307,203	1,453,701	1,452,501
Net position at end of year	\$ 1,273,234	\$ 1,307,203	\$ 1,453,701

Governmental activities decreased CareerSource Florida, Inc.'s net position by \$33,969, or by 2.60%, for the year ended June 30, 2021, and decreased CareerSource Florida, Inc.'s net position by \$146,498, or by 10.08%, for the year ended June 30, 2020. The following information related key points regarding the financial activities that significantly impacted the change in net assets:

- Operating grant revenues increased by \$3,848,060, or 23.62%, in 2021. This resulted from an increase in the amount of requested reimbursements in the Quick Response Training grant program in the current year. Operating grant revenues decreased by \$1,049,808, or 6.05%, in 2020. This resulted from a decrease in the amount of requested reimbursements in the Quick Response Training grant program in the year.
- Incumbent Worker Training (IWT) grant reimbursements decreased by \$852,419, or 28.00%, in 2021, and increased by \$246,029, or 8.79%, in 2020. IWT expenses are incurred on a reimbursement-request basis and are subject to timing variances. For the year ended June 30, 2021, CareerSource Florida, Inc. received and processed a decrease in requested reimbursements, and for the year ended June 30, 2020, CareerSource Florida, Inc. received and processed an increase in requested reimbursements.
- Quick Response Training (QRT) grant assistance increased by \$4,878,205, or 93.99%, in 2021, and decreased by decreased by \$1,901,123, or 26.81%, in 2020. QRT expenses are incurred on a reimbursement-request basis and are subject to timing variances; thus, these changes are a result of timing variances pertaining to award issuance and subsequent reimbursement requested. For the year ended June 30, 2021, CareerSource Florida, Inc. received and processed an increase in requested reimbursements, and for the year ended June 30, 2020, CareerSource Florida, Inc. received and processed a decrease in requested reimbursements.

CareerSource Florida, Inc. Management's Discussion and Analysis

- Other Program Costs decreased by \$296,442, or 3.61%, in 2021. This decrease is due mostly to the net decrease in program costs for public outreach services facilitating public awareness of the workforce system services, resources and full-service public relationships, CTE audit licenses for State team and CareerSource Florida team, other licensing for statewide use and operation of Salesforce platform. Other Program Costs increased by \$894,593, or 12.23%, in 2020. This increase is due mostly to the net increase in program costs for public outreach services facilitating public awareness of the workforce system services, resources and full service public relationships, CTE audit licenses for State team and CareerSource Florida team, other licensing for statewide use and operation of Salesforce platform, and increased technical assistance professional services to further the Apprenticeship initiatives with the local workforce development boards.

Fund Financial Analysis

As noted earlier, CareerSource Florida, Inc. also presents fund financial statements to provide information on near-term inflows, outflows, and balances of spendable resources. CareerSource Florida, Inc. has one governmental fund (the General Fund). The financial operations of the General Fund are included in the Statement of Revenues, Expenditures, and Changes in Fund Balance, which begin on page 14 of this report.

The following are significant highlights of the general fund financial statements:

- At June 30, 2021, total assets were \$9,784,138, of which cash accounted for 68.32% of the total balance. At June 30, 2020, total assets were \$14,508,964, of which cash accounted for 76.73% of the total balance.
- Cash decreased a total of \$4,447,361 in 2021 for a balance of \$6,684,918 at June 30, 2021. This was the result of a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year and QRT program disbursements exceeding funds received. Cash decreased a total of \$5,600,213 in 2020 for a balance of \$11,732,279 at June 30, 2020. This was the result of a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year.
- Total general fund liabilities at June 30, 2021 were \$8,533,196, of which unearned revenues accounted for approximately 76.73% of the total. The decrease in the deferred revenue balance resulted from a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year and QRT program disbursements exceeding funds received. Total general fund liabilities at June 30, 2020 were \$13,241,240, of which unearned revenues accounted for approximately 85.34% of the total. The decrease in the deferred revenue balance resulted from a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year.
- Total General Fund revenues were \$20,141,540 for the period ended June 30, 2021, an increase of \$3,838,738 or 23.55%. This increase was driven by more dollars being requested for reimbursement by QRT grantees. Total General Fund revenues were \$16,302,802 for the period ending June 30, 2020, a decrease of \$1,047,378, or 6.04%. This decrease was driven by less dollars being requested for reimbursement by QRT grantees
- Total expenditures increased by \$3,846,721 in 2021, or 23.58%. This was primarily the result of increased spending of the QRT grant. Total expenditures increased by \$1,060,274 in 2020, or 6.10%. This was primarily the result of decreased spending of the QRT grant.

CareerSource Florida, Inc. Management's Discussion and Analysis

Capital Asset Administration

CareerSource Florida, Inc.'s investment in capital assets as of June 30, 2021 and 2020 amounts to \$224,803 and \$291,884, respectively (net of accumulated depreciation and amortization). Additional information on CareerSource Florida, Inc.'s capital assets can be found in Note 3 on pages 23-24 of this report.

Economic Factors

In accordance with the Workforce Innovation and Opportunity Act of 2014, CareerSource Florida, Inc. operates throughout the state as the primary workforce policy organization on behalf of the State of Florida. CareerSource Florida, Inc. accomplishes this by linking workforce and economic development strategies through business-driven initiatives and programs to ensure that Florida's Workforce has the skills that will meet current and future business needs. Florida businesses continue to cite workforce issues as their most important concern, according to surveys undertaken by various business associations. This concern is consistent with national studies highlighting the difficulties of finding and keeping qualified workers. Additionally, the growing prominence of the technology and biotechnology sectors increases the need to produce skilled workers.

Since Florida's economy is linked to both national and global economic markets which are impacted and driven by major changes and advancements in technology, the challenges facing CareerSource Florida, Inc. will never be completely accomplished and must be continuously adapted to meet these challenges from year to year. CareerSource Florida, Inc. also promotes an environment where Floridians have the opportunity to upgrade their education and skills to obtain jobs that lead to economic self-sufficiency.

Funding for CareerSource Florida, Inc., its initiatives and operations, is derived from legislative appropriations from revenues collected by the State of Florida and Federal workforce training funds. In addition to funds for general operational costs of the Board and direct staff, CareerSource Florida, Inc. receives funding for two customized training programs the Quick Response Training and Incumbent Worker Training programs.

Request for Information

This financial report is designed to provide a general overview of CareerSource Florida, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to CareerSource Florida, Inc., PO Box 13179, Tallahassee, FL 32317.

CareerSource Florida, Inc.
Statements of Net Position

<i>June 30,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 6,684,918	\$ 11,132,279
Grants and contracts receivable	2,935,203	2,995,918
Prepaid expenses	163,517	380,267
Total current assets	9,783,638	14,508,464
Noncurrent assets		
Capital assets, net	224,803	291,884
Other assets	500	500
Total noncurrent assets	225,303	292,384
Total assets	\$ 10,008,941	\$ 14,800,848
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,985,369	\$ 1,941,242
Unearned revenue	6,547,827	11,299,998
Total current liabilities	8,533,196	13,241,240
Long-term liabilities		
Compensated absences	202,511	252,405
Total long-term liabilities	202,511	252,405
Total liabilities	8,735,707	13,493,645
Net Position		
Net investment in capital assets	224,803	291,884
Unrestricted	1,048,431	1,015,319
Total net position	1,273,234	1,307,203
Total liabilities and net position	\$ 10,008,941	\$ 14,800,848

The accompanying notes are an integral part of these financial statements.

CareerSource Florida, Inc.
Statements of Activities

<i>For the years ended June 30,</i>		Summarized		
		2021	2020	
Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
Governmental Activities				
Economic environment				
Incumbent worker training	\$ 2,192,293	\$ -	\$ 2,192,293	\$ -
Quick response training	10,068,250	-	10,068,250	-
Other program costs	7,914,966	-	7,880,953	(34,013)
Total governmental activities	20,175,509	-	20,141,496	(155,864)
General Revenues				
Miscellaneous				44
Total general revenues				44
Change in net position				(33,969)
Net position at beginning of year				1,307,203
Net position at end of year				\$ 1,273,234

The accompanying notes are an integral part of these financial statements.

CareerSource Florida, Inc.
Balance Sheets
Governmental Fund Type – General Fund

<i>June 30,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 6,684,918	\$ 11,132,279
Grants and contracts receivable	2,935,203	2,995,918
Prepaid expenses	164,017	380,767
Total current assets	9,784,138	14,508,964
Total assets	\$ 9,784,138	\$ 14,508,964
Liabilities and Fund Net Position		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,985,369	\$ 1,941,242
Unearned revenue	6,547,827	11,299,998
Total current liabilities	8,533,196	13,241,240
Fund net position		
Nonspendable - prepaid expenses	164,017	380,767
Unassigned	1,086,925	886,957
Fund net position	1,250,942	1,267,724
Total liabilities and fund net position	\$ 9,784,138	\$ 14,508,964

The accompanying notes are an integral part of these financial statements.

CareerSource Florida, Inc.
**Reconciliation of the Balance Sheets of the Governmental Fund
to the Statements of Net Position**

<i>June 30,</i>	2021	2020
Total fund balance of governmental fund	\$ 1,250,942	\$ 1,267,724
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p style="padding-left: 40px;">Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:</p>		
Compensated absences	(202,511)	(252,405)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	224,803	291,884
Net position of governmental activities	\$ 1,273,234	\$ 1,307,203

The accompanying notes are an integral part of these financial statements.

CareerSource Florida, Inc.
Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund Type – General Fund

<i>For the years ended June 30,</i>	2021	2020
Revenues		
Intergovernmental revenue	\$ 20,141,496	\$ 16,293,436
Miscellaneous	44	9,366
Total revenues	20,141,540	16,302,802
Expenditures		
Economic environment		
Current		
Salaries and benefits	3,299,772	3,087,008
Other program costs	3,154,941	3,245,418
Professional fees and consultants	90,997	497,171
Administration contracts	324,486	318,132
Dues and subscriptions	620,869	504,572
Occupancy	215,484	209,761
Sponsorships	-	15,000
Travel	15,395	58,051
Board meetings and travel	21,466	31,034
Telephone and communications	45,254	46,575
Office expenses	48,818	21,321
Training and registrations	18,644	24,228
Capital outlay	28,196	4,811
Insurance	13,457	13,762
Grants and aids	12,260,543	8,234,757
Total expenditures	20,158,322	16,311,601
Net change in fund balance	(16,782)	(8,799)
Fund balance at beginning of year	1,267,724	1,276,523
Fund balance at end of year	\$ 1,250,942	\$ 1,267,724

The accompanying notes are an integral part of these financial statements.

CareerSource Florida, Inc.
Reconciliation of the Statements of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to
the Statements of Activities

<i>June 30,</i>	2021	2020
Net change in fund balance - total governmental fund	\$ (16,782)	\$ (8,799)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="margin-left: 40px;">Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Change in compensated absences	49,894	(52,963)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:</p>		
Capital outlay	28,196	4,811
Depreciation and amortization expense	(95,162)	(89,547)
Loss on disposal of capital assets	(115)	-
Change in net position of governmental activities	\$ (33,969)	\$ (146,498)

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

CareerSource Florida, Inc. (“CareerSource Florida” or “the Organization”) is a not-for-profit corporation created by Chapter 445 of the Florida Statutes. Chapter 2000-165, Laws of Florida, known as the *Workforce Innovation Act of 2000*, superseded by the *Workforce Innovation and Opportunity Act of 2014* (WIOA), created the corporation, which became effective July 1, 2000. This corporation is required to be registered, incorporated, organized, and operated in compliance with Chapter 617, Florida Statutes, as a nonentity of State government.

CareerSource Florida is the principal workforce policy organization for the State of Florida and the local workforce boards. The Florida Workforce System connects employers with qualified, skilled talent and Floridians with employment and career development opportunities to achieve economic prosperity. The Organization is administratively housed within the Department of Economic Opportunity (DEO), and contracts with DEO to implement its strategic policies and administer the workforce system.

CareerSource Florida is governed by a Board of Directors (the Board), whose membership and appointment is determined by the Governor of the State of Florida and must be consistent with Public Law No. 113-128, Title I, Section 101(b) since it serves as the State’s Workforce Investment Board pursuant to law.

Though the State of Florida appoints the Board, it has no further accountability. Therefore, for financial reporting purposes, CareerSource Florida is a related organization of the State. There are no component units included in the accompanying financial statements.

The accounting policies of the Organization conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Organization are described below. The Organization’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all of the nonfiduciary activities of CareerSource Florida. The focus of the government-wide statements is on the sustainability of CareerSource Florida as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include operating grants and contributions used to recover expense of a given function or program. Other items not properly included among program revenues are reported instead as *general revenues*.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund.

Fund Financial Statements

The fund financial statements provide information about CareerSource Florida's governmental fund. Separate statements for the governmental fund are presented. CareerSource Florida reports one governmental fund, the *General Fund*, which is used to account for all financial resources of the Organization.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Organization.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

GASB requires budgetary comparisons to be presented for the general fund that has a legally adopted budget. Management has determined that CareerSource Florida is not legally required to adopt an operating budget by the DEO, Florida Statutes, or any federal regulation. Therefore, no budgetary comparison schedules have been presented.

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total. 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 the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

CareerSource Florida's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Grants and Contracts Receivable

Grants and contracts receivable consist primarily of amounts due from the DEO. Management determines the allowance for doubtful accounts based on specific identification and a general reserve based on management's experience with prior collections and the current economic environment. Management's estimate of potential uncollectible amounts associated with grants and contracts receivable is immaterial; accordingly, no allowance for doubtful accounts has been recorded.

CareerSource Florida, Inc.
Notes to Financial Statements

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by CareerSource Florida as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. As the Organization acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Property and equipment are depreciated using the straight line method over the following estimated useful lives:

Leasehold improvements	5 Years
Office furniture	7 Years
Office equipment and computers	5 Years

Capital assets acquired by CareerSource Florida are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Compensated Absences

CareerSource Florida has two distinct employee groups. The first employee group includes permanent full-time employees of CareerSource Florida. The second group includes State of Florida employees assigned on a full-time basis to CareerSource Florida. The Organization pays the salary and benefits of the state employees assigned to its operations. The benefit and compensated absence policy is slightly different for the two groups as follows:

- Permanent full-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Organization. CareerSource Florida employees' annual leave balances in excess of 360 hours will be transferred to sick leave on an hour-for-hour basis. Sick leave is accrued but generally only paid out at 25% of the accrued balance after ten years of service up to a stated maximum. However, the employment contract with the President stipulates that sick leave is paid in accordance with the employment contract.
- State of Florida employees assigned to the Organization receive the same benefits, including compensated absences, as State of Florida employees. Vacation accruals are accrued and become vested when earned. Sick leave is generally payable and is accrued at 25% of the leave amount accrued up to 240 or 480 hours maximum, depending on employment classification. Sick accruals become vested upon ten years of employment.

CareerSource Florida, Inc.
Notes to Financial Statements

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues are recognized when earned. CareerSource Florida received advanced funds from the State of Florida to administer the Quick Response Training (QRT) program. Under this program, the Organization awards funds to businesses that provide training to the businesses' employees via local community colleges and/or state universities. CareerSource Florida defers the revenue relating to these programs until the earnings process is substantially complete, which the Organization has determined occurs when the training has taken place and the college or business has submitted requests for reimbursement.

Transferred Investment Income

As a condition of its grants and in compliance with the Uniform Circular 2 CFR 200.305 as adopted by CareerSource Florida, all interest above \$500 earned on funds advanced from the State of Florida is due and payable to the State of Florida. At June 30, 2021 and 2020, the applicable liability due to the State of Florida is included in accrued liabilities in the statements of net position.

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes CareerSource Florida will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Florida's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes CareerSource Florida will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Florida's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Organization itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity (Continued)

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

- *Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. As of June 30, 2021 and 2020 there are no amounts that are classified as restricted fund balance.
- *Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Organization’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Organization that can, by adoption of a board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board resolution remains in place until a similar action is taken (the adoption of another board resolution) to remove or revise the limitation. As of June 30, 2021 and 2020 there are no amounts that are classified as committed fund balance.
- *Assigned fund balance* – The assigned fund balance consists of amounts that are constrained by a less-than-formal action of the Organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. As of June 30, 2021 and 2020 there are no amounts that are classified as assigned fund balance.
- *Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund.

Income Taxes

CareerSource Florida is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is exempt from state income taxes on related income pursuant to Chapter 220.13 of the Florida Statutes. As a charitable organization, only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code, is subject to federal income tax. CareerSource Florida currently has no unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

CareerSource Florida has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Functional Allocation of Expenses

Expenses are charged directly to programs that benefit from the expense where possible, or to the indirect cost pool. Indirect expenses are allocated to programs based on the percentage of total funds from each program utilized across the entire CareerSource Florida Network from the prior quarter.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2021. See Note 9 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recent Accounting Guidance

In June 2017, the GASB issued Statement No. 87, *Leases*. The guidance in this statement and its amendments supersedes previous leasing guidance. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of fund net position, unless the lease is a short-term lease or it transfers ownership of the underlying asset. A lessee should reduce the lease liability over the lease term as payments are made and recognize an expense for interest on the liability. The statement is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under the guidance, governmental organizations are required to recognize a right-to-use subscription asset and corresponding liability on the statement of fund net position for subscription-based information technology arrangements, unless they fall under certain exemptions. The asset and liability are initially measured at the present value of the total subscription payments expected to be made during the subscription term. The liability should be reduced over the subscription term as payments are made, and expense for the interest on the liability is recognized. The statement is effective for fiscal years beginning after June 5, 2022. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

CareerSource Florida, Inc.
Notes to Financial Statements

Note 2: CASH AND CASH EQUIVALENTS

Florida Statutes provide for risk sharing collateral pools by banks and savings and loan associations. These pools collateralize local government deposits and certificates of deposit with participating depositories. CareerSource Florida's demand deposits are placed in such authorized depositories.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Organization's deposits may not be returned or the Organization will not be able to recover collateral securities in the possession of an outside party. At June 30, 2021 and 2020, the carrying amount of CareerSource Florida, Inc.'s deposits was \$6,684,918 and \$11,132,279, respectively, and the bank balance of CareerSource Florida, Inc.'s deposits was \$6,812,337 and \$11,851,314, respectively. The bank balance is insured up to Federal Deposit Insurance Corporation (FDIC) limits or by collateral held by CareerSource Florida's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the *Florida Security for Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral.

Note 3: CAPITAL ASSETS, NET

The following is a summary of changes in capital assets during the year ended June 30, 2021:

	July 1, 2020	Increases	Decreases	June 30, 2021
Capital assets				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	300,961	28,196	(1,562)	327,595
Total capital assets	538,118	28,196	(1,562)	564,752
Less accumulated depreciation and amortization				
Leasehold improvements	(13,111)	(2,028)	-	(15,139)
Office furniture	(83,349)	(31,378)	-	(114,727)
Office equipment and computers	(149,774)	(61,756)	1,447	(210,083)
Total accumulated depreciation and amortization	(246,234)	(95,162)	1,447	(339,949)
Capital asset, net	\$ 291,884	\$ (66,966)	\$ (115)	\$ 224,803

CareerSource Florida, Inc.
Notes to Financial Statements

Note 3: CAPITAL ASSETS, NET (Continued)

The following is a summary of changes in capital assets during the year ended June 30, 2020:

	July 1, 2019	Increases	Decreases	June 30, 2020
Capital assets				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	296,150	4,811	-	300,961
Total capital assets	533,307	4,811	-	538,118
Less accumulated depreciation and amortization				
Leasehold improvements	(11,083)	(2,028)	-	(13,111)
Office furniture	(51,971)	(31,378)	-	(83,349)
Office equipment and computers	(93,633)	(56,141)	-	(149,774)
Total accumulated depreciation and amortization	(156,687)	(89,547)	-	(246,234)
Capital asset, net	\$ 376,620	\$ (84,736)	\$ -	\$ 291,884

Depreciation and amortization expense was \$95,162 and \$89,547 for the years ended June 30, 2021 and 2020, respectively, which was charged to other program costs in the statements of activities.

Note 4: COMPENSATED ABSENCES

The following is a summary of changes in compensated absences during the year ended June 30, 2021:

	July 1, 2020	Increases	Decreases	June 30, 2021
Compensated absences	\$ 252,405	\$ -	\$ (49,894)	\$ 202,511

The following is a summary of changes in compensated absences during the year ended June 30, 2020:

	July 1, 2019	Increases	Decreases	June 30, 2020
Compensated absences	\$ 199,442	\$ 52,963	\$ -	\$ 252,405

CareerSource Florida, Inc.
Notes to Financial Statements

Note 5: RETIREMENT PLAN

CareerSource Florida participated in a defined contribution (traditional 401k) retirement plan (the Plan) through December 31, 2019. The Plan was amended to a Safe Harbor 401k Plan effective January 1, 2020. The Plan covers all eligible employees of CareerSource Florida. Employer contributions are determined at the discretion of a fiduciary committee of CareerSource Florida and in accordance with the Internal Revenue Code. The Organization contributed a total of \$345,980 and \$277,019 to the Plan during the years ended June 30, 2021 and 2020, respectively. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. Employees contributed \$178,435 and \$175,353 to the Plan during the years ended June 30, 2021 and 2020, respectively. Employees are immediately vested in their own contributions and earnings on those contributions. Employees become 100% vested in employer defined contributions after completing three years of service. For each of the years ended June 30, 2021 and 2020, plan forfeitures included in contribution expense totaled \$13,002 and \$6,997, respectively. Employer and employee contributions owed to the Plan as of June 30, 2021 and 2020 totaled \$14,263 and \$12,716, respectively. There were no expenses for the Plan paid for by CareerSource Florida during the years ended June 30, 2021 and 2020. State of Florida employees assigned to CareerSource Florida are covered under a retirement plan sponsored by the State of Florida.

Note 6: COMMITMENTS, CONCENTRATIONS, AND CONTINGENCIES

Operating Leases

The Organization leases office facilities and equipment under operating leases that expire in various years through 2027. Minimum lease payments under noncancellable operating leases are as follows:

<i>For the years ending June 30,</i>	
2022	\$ 220,905
2023	226,432
2024	232,066
2025	237,896
2026	243,850
Thereafter	230,014
Total minimum lease payments	\$ 1,391,163

Rent expense for the years ended June 30, 2021 and 2020 was \$218,452 and \$217,197, respectively.

Note 6: COMMITMENTS, CONCENTRATIONS, AND CONTINGENCIES (Continued)

Significant Funding Source

CareerSource Florida receives a substantial amount of its funding from the United States Department of Labor and the United States Department of Health and Human Services passed through the State of Florida, Department of Economic Opportunity, and from the State of Florida Department of Economic Opportunity directly. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on CareerSource Florida, Inc.'s programs and activities.

Risk Management

CareerSource Florida is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CareerSource Florida, Inc. has obtained insurance from commercial underwriters for the aforementioned risks, including workers' compensation for the years ended June 30, 2021 and 2020.

CareerSource Florida has not paid any settlements in excess of insurance coverage for each of the past three years. Furthermore, CareerSource Florida had no significant reduction in insurance coverage from the prior year.

Grants

The grant revenue amounts received are subject to audit and adjustment by grantor agencies. If any expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of CareerSource Florida. In the opinion of management, all grant expenses are in compliance with terms of the grant agreements and applicable Federal and State laws and regulations.

Note 7: RELATED PARTY TRANSACTIONS

Receivables of \$2,935,141 and \$2,995,835 were due from the State of Florida, Department of Economic Opportunity, at June 30, 2021 and 2020, respectively, and are included in grants and contracts receivable in the statements of net position and in the balance sheets of the governmental fund type – general fund. Federal and State program revenue received through the State of Florida, Department of Economic Opportunity, for the years ended June 30, 2021 and 2020 was \$20,141,496 and \$16,293,436, respectively.

Note 8: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Corporation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of September 29, 2021.

Note 9: SUBSEQUENT EVENT

Subsequent to June 30, 2021, CareerSource Florida remitted \$496,476 of unspent state level general revenue QRT funds back to the State of Florida. These unspent funds are included in the unearned revenue balance in the accompanying statements of net position.



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

Board of Directors
CareerSource Florida, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of CareerSource Florida, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CareerSource Florida, Inc.'s basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CareerSource Florida, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 CareerSource Florida, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Cary Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 29, 2021



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Board of Directors
CareerSource Florida, Inc.
Tallahassee, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited CareerSource Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of CareerSource Florida, Inc.'s major federal programs and state projects for the year ended June 30, 2021. CareerSource Florida, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CareerSource Florida, Inc.'s major federal programs and 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General); and the special audit guidance provided by the Florida Department of Economic Opportunity (special DEO guidance). Those standards, the Uniform Guidance, Rules of the Auditor General, and special 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 or state project occurred. An audit includes examining, on a test basis, evidence about CareerSource Florida, 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 and state project. However, our audit does not provide a legal determination of CareerSource Florida, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, CareerSource Florida, 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 and state projects for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of CareerSource Florida, 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 CareerSource Florida, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project 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 state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, Rules of the Auditor General, and special DEO 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 CareerSource Florida, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 or 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or 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. 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, Rules of the Auditor General, and special DEO guidance. Accordingly, this report is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 29, 2021

CareerSource Florida, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year ended June 30, 2021

Grantor/Pass Through Grantor/ Title	Assistance Listing/CSFA Number	Contract/ Grant Number	Expenditures	Funds Provided to Subrecipients
FEDERAL				
<u>U.S. Department of Labor</u>				
Passed through Florida Department of Economic Opportunity:				
Employment Services Cluster				
Wagner - Peysner Funded Activities	17.207	BCS02	\$ 3,170,800	\$ -
Apprenticeship USA State Expansion	17.285	AP-30075-16-60-A-12	428,272	-
Workforce Investment and Opportunity Act (WIOA) Cluster				
WIA/WIOA Adult Program	17.258	BCS02	1,254,390	-
WIA/WIOA Youth Activities	17.259	BCS02	1,254,390	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	BCS02	2,707,219	-
Total Workforce Investment and Opportunity Act (WIOA) Cluster			5,215,999	-
Total U.S. Department of Labor			8,815,071	-
<u>U.S. Department of Agriculture</u>				
Passed through Florida Department of Economic Opportunity:				
SNAP Cluster				
Food Stamp Employment and Training	10.561	BCS02	46,974	-
Total U.S. Department of Agriculture			46,974	-
<u>U.S. Department of Health and Human Services</u>				
Passed through Florida Department of Economic Opportunity:				
Temporary Assistance for Needy Families				
Temporary Assistance for Needy Families	93.558	BCS02	605,133	-
Total U.S. Department of Health and Human Services			605,133	-
Total expenditures of federal awards			\$ 9,467,178	\$ -
STATE				
<u>Florida Department of Economic Opportunity</u>				
Quick Response Training	40.026	BCS02	\$ 10,068,250	\$ -
CareerSource Florida Operations	40.036	BCS02	606,068	-
Total Florida Department of Economic Opportunity			10,674,318	-
Total expenditures of state financial assistance			\$ 10,674,318	-
Total expenditures of federal awards and state financial assistance			\$ 20,141,496	\$ -

*See Independent Auditors' Report and Notes to the Schedule of Expenditures
of Federal Awards and State Financial Assistance.*

CareerSource Florida, Inc.
**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**

Note 1: BASIS PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state award activity of CareerSource Florida, Inc. ("CareerSource Florida" or "the Organization"). The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.650, *Rules of the Auditor General*, and the special audit guidance provided by the Florida Department of Economic Opportunity. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

For purposes of the Schedule, federal awards and state financial assistance include all grants, contracts, and similar agreements entered into directly with the federal or state government and other pass-through entities. The Organization has obtained Catalog of Federal Domestic Assistance (CFDA) and Catalog of State Financial Assistance (CSFA) numbers to ensure that all programs have been identified in the schedule. Clusters are separately identified within this Schedule.

Note 2: BASIS OF ACCOUNTING

The Schedule was prepared on the accrual basis of accounting.

Note 3: CONTINGENCIES

Grant monies received and disbursed by the Organization are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization. As of June 30, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4: NONCASH ASSISTANCE

The Organization did not receive any federal or state noncash assistance for the year ended June 30, 2021.

Note 5: INDIRECT COST

The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CareerSource Florida, Inc.
**Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance**

Note 6: FEDERALLY FUNDED INSURANCE

The Organization did not receive federally funded insurance during the fiscal year ended June 30, 2021.

Note 7: FEDERALLY FUNDED LOANS

The Organization has no federally funded loans as of June 30, 2021. No funds were expended in the form of loan or loan guarantees during the fiscal year ended June 30, 2021.

CareerSource Florida, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | | | | | |
|--|----------------------------------|------------------------|------------------------|--------------|--|
| 1. Type of auditors’ report issued | Unmodified | | | | |
| 2. Internal control over major projects: | | | | | |
| a. Material weaknesses identified? | No | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No | | | | |
| 4. Identification of major programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;"><u>Assistance Listing Number</u></td> <td style="text-align: center; border-bottom: 1px solid black;"><u>Federal Program</u></td> </tr> <tr> <td style="text-align: center;">17.258, 17.259, 17.278</td> <td style="text-align: center;">WIOA Cluster</td> </tr> </table> | <u>Assistance Listing Number</u> | <u>Federal Program</u> | 17.258, 17.259, 17.278 | WIOA Cluster | |
| <u>Assistance Listing Number</u> | <u>Federal Program</u> | | | | |
| 17.258, 17.259, 17.278 | WIOA Cluster | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | Yes | | | | |

State Financial Assistance:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major projects | Unmodified |
|---|------------|

CareerSource Florida, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)

2. Internal control over major projects:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? None noted
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General* or the special audit guidance provided by the Florida Department of Economic Opportunity? No
4. Identification of major projects:

CSFA Number	State Project
40.026	Quick Response Training
5. Dollar threshold used to distinguish between type A and type B projects: \$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

None noted

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

None noted

SECTION V – OTHER MATTERS

- (a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).
- (b) CareerSource Florida, Inc. performed a reconciliation of its financial records to the Subrecipient Enterprise Resource Application (SERA) maintained by the Florida Department of Economic Opportunity in a satisfactory matter for the year ended June 30, 2021.
- (c) The Florida Department of Economic Opportunity’s 2019-20 Financial Compliance Monitoring Report issued on April 30, 2021 covering the period from April 1, 2019 to March 31, 2020 resulted in 0 findings, 0 issues of non-compliance, 1 observation, and 1 item of technical assistance provided.