



**CareerSource Florida, Inc.**

**Financial Statements  
and Other Financial Information**

**Years ended June 30, 2022 and 2021**



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# REPORT





## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, 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.

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, 2022, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the year ended June 30, 2022, CareerSource Florida, Inc. adopted new accounting guidance, GASBS No. 87, *Leases*. Our opinions are not modified with respect to this matter.

#### *Report on Summarized Comparative Information*

We have previously audited CareerSource Florida, Inc.'s 2021 basic financial statements, and we expressed an unmodified audit opinion on those audited basic financial statements in our report dated September 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited basic financial statements from which it has been derived.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Florida, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CareerSource Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Supplementary 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 accompanying schedule of expenditures of federal awards and state financial assistance, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, 2022, 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, 2022



**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**



## 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, 2022. This analysis should be read in conjunction with the independent auditors' report (pages 1-3) and the basic financial statements, which begin on page 11.

### **Financial Highlights**

Assets of CareerSource Florida, Inc. exceeded its liabilities at the close of the most recent fiscal year by \$1,013,953 (net position of \$1,013,953 is unrestricted). Assets exceeded liabilities at the close of the prior fiscal year by \$1,119,992 (net position of \$1,048,431 is unrestricted).

Government assistance, including pass-through grants, accounted for \$13,512,371 and \$20,141,496 in revenue for the years ended June 30, 2022 and 2021, respectively.

For the years ended June 30, 2022 and 2021, CareerSource Florida, Inc. spent \$2,320,595 and \$2,192,293, respectively, for Incumbent Worker Training programs, \$3,951,480 and \$10,068,250, respectively, for Quick Response Training, and \$7,371,358 and \$7,940,942, respectively, in other program costs, which include general, administrative, and contractual expenses. For the year ended June 30, 2022, CareerSource Florida, Inc. incurred \$13,643,433 in total expenses for a total decrease of \$6,558,052 or 32.46% from the prior year. For the year ended June 30, 2021, CareerSource Florida, Inc. incurred \$20,201,485 in total expenses for a total increase of \$3,714,563 or 22.53% 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 17-29 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 35. This schedule lists all Federal and State grants awarded to CareerSource Florida, Inc. and the related expenditures for the fiscal year ended June 30, 2022.

### **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 2022 Statement of Net Position, which can be found on page 11 of this report with comparative information for the fiscal years 2021 and 2020.

**CareerSource Florida, Inc.**  
**Management's Discussion and Analysis**

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

	<b>2022</b>	(As restated) 2021	(As restated) 2020
<b>Assets</b>			
Current and other assets	\$ 10,161,585	\$ 9,784,138	\$ 14,508,964
Capital and lease assets	1,112,620	1,391,465	1,640,285
<b>Total assets</b>	<b>11,274,205</b>	11,175,603	16,149,249
<b>Liabilities</b>			
Current liabilities	8,907,854	8,533,196	13,241,240
Long-term liabilities	1,352,398	1,522,415	1,728,072
<b>Total liabilities</b>	<b>10,260,252</b>	10,055,611	14,969,312
<b>Net position</b>			
Net investment in capital assets	-	71,561	164,618
Unrestricted	1,013,953	1,048,431	1,015,319
<b>Total net position</b>	<b>\$ 1,013,953</b>	\$ 1,119,992	\$ 1,179,937

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, 2022, CareerSource Florida, Inc.'s net position is \$1,013,953, which is a decline of \$106,039 in net position for the year. This decrease in net position represented a decrease of approximately 9.47% from the \$1,119,992 net position in 2021, and is the result of a decrease in capital and lease assets due to depreciation and amortization in 2022, net of the increase in unrestricted funds. For the year ended June 30, 2021, CareerSource Florida, Inc.'s net position was \$1,119,992, which is a decline of \$59,945 in net position for the year. This decrease in net position represented a decrease of approximately 5.08% from the \$1,179,937 net position in 2020, and was the result of a decrease in capital and lease assets due to depreciation and amortization in 2021, net of the increase in unrestricted funds. 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 2022 Statement of Activities found on page 12 of this report, with comparative information in 2021 and 2020.

**CareerSource Florida, Inc.**  
**Management's Discussion and Analysis**

**CAREERSOURCE FLORIDA, INC.'S STATEMENT OF ACTIVITIES**

	2022	(As restated) 2021	(As restated) 2020
<b>Revenues</b>			
Operating grants and contributions	\$ 13,512,371	\$ 20,141,496	\$ 16,293,436
Other income	25,023	44	9,366
<b>Total revenues</b>	<b>13,537,394</b>	<b>20,141,540</b>	<b>16,302,802</b>
<b>Expenses</b>			
Program services:			
Incumbent worker training	2,320,595	2,192,293	3,044,712
Quick response training	3,951,480	10,068,250	5,190,045
Performance model funding	-	-	3,135
Other program costs	7,371,358	7,940,942	8,249,030
<b>Total expenses</b>	<b>13,643,433</b>	<b>20,201,485</b>	<b>16,486,922</b>
<b>Change in net position</b>	<b>(106,039)</b>	<b>(59,945)</b>	<b>(184,120)</b>
<b>Net position at beginning of year</b>	<b>1,119,992</b>	<b>1,179,937</b>	<b>1,364,057</b>
<b>Net position at end of year</b>	<b>\$ 1,013,953</b>	<b>\$ 1,119,992</b>	<b>\$ 1,179,937</b>

Governmental activities decreased CareerSource Florida, Inc.'s net position by \$106,039, or by 9.47%, for the year ended June 30, 2022, and decreased CareerSource Florida, Inc.'s net position by \$59,945, or by 5.08%, for the year ended June 30, 2021. The following information related key points regarding the financial activities that significantly impacted the change in net assets:

- Operating grant revenues decreased by \$6,629,125, or 32.91%, in 2022. This resulted from a decrease in the amount of requested reimbursements in the Quick Response Training grant program in the current year. 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 year.
- Incumbent Worker Training (IWT) grant reimbursements increased by \$128,302, or 5.85%, in 2022, and decreased by \$852,419, or 28.00%, in 2021. IWT expenses are incurred on a reimbursement-request basis and are subject to timing variances. For the year ended June 30, 2022, CareerSource Florida, Inc. received and processed more requested reimbursements, and for the year ended June 30, 2021, CareerSource Florida, Inc. received and processed fewer requested reimbursements.
- Quick Response Training (QRT) grant assistance decreased by \$6,116,770, or 60.75%, in 2022, and increased by \$4,878,205, or 93.99%, in 2021. 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, 2022, CareerSource Florida, Inc. received and processed fewer requested reimbursements, and for the year ended June 30, 2021, CareerSource Florida, Inc. received and processed more requested reimbursements.

## CareerSource Florida, Inc. Management's Discussion and Analysis

- Other Program Costs decreased by \$569,584, or 7.17%, in 2022. This decrease is mostly in subscriptions and publications expense due to the discontinued use of Premier Virtual and EMSI services, and discontinued use of Gartner for IT consulting. Other Program Costs decreased by \$308,088, or 3.73%, in 2021. This decrease was 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.

### **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 on page 15 of this report.

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

- At June 30, 2022, total assets were \$10,161,585, of which cash accounted for 62.23% of the total balance. At June 30, 2021, total assets were \$9,784,138, of which cash accounted for 68.32% of the total balance.
- Cash decreased a total of \$361,375 in 2022 for a balance of \$6,323,543 at June 30, 2022. This was the result of a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year, net of QRT program funds received during the year exceeding disbursements. 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.
- Total general fund liabilities at June 30, 2022 were \$8,907,854, of which unearned revenues accounted for approximately 71.62% of the total. The decrease in the unearned revenue balance resulted from a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year, net of QRT program funds received during the year exceeding disbursements. 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 unearned 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 revenues were \$13,537,394 for the period ended June 30, 2022, a decrease of \$6,604,146 or 32.79%. This increase was driven by less dollars being requested for reimbursement by QRT grantees. Total General Fund revenues were \$20,141,540 for the period ending 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 expenditures decreased by \$6,623,717 in 2022, or 32.86%. This was primarily the result of decreased spending of the QRT grant. Total expenditures increased by \$3,846,721 in 2021, or 23.58%. This was primarily the result of increased spending of the QRT grant.

## CareerSource Florida, Inc. Management's Discussion and Analysis

### Capital Asset Administration

CareerSource Florida, Inc.'s investment in capital assets amounts to \$-0-and \$71,561 as of June 30, 2022 and 2021, respectively (net of accumulated depreciation and amortization), which includes the lease assets and related lease payable. Additional information on CareerSource Florida, Inc.'s capital and lease assets can be found in Notes 3 and 4 on pages 25-28 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.



# **BASIC FINANCIAL STATEMENTS**

**CareerSource Florida, Inc.**  
**Statements of Net Position**

<i>June 30,</i>	<b>2022</b>	(As restated) <b>2021</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 6,323,543	\$ 6,684,918
Grants and contracts receivable	3,741,089	2,935,203
Prepaid expenses	96,453	163,517
Total current assets	<b>10,161,085</b>	9,783,638
Noncurrent assets		
Capital assets, net	127,697	224,803
Lease asset, net	984,923	1,166,662
Other assets	500	500
Total noncurrent assets	<b>1,113,120</b>	1,391,965
Total assets	<b>\$ 11,274,205</b>	\$ 11,175,603
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,528,150	\$ 1,985,369
Unearned revenue	6,379,704	6,547,827
Total current liabilities	<b>8,907,854</b>	8,533,196
Long-term liabilities		
Compensated absences	200,535	202,511
Lease payable	1,151,863	1,319,904
Total long-term liabilities	<b>1,352,398</b>	1,522,415
Total liabilities	<b>10,260,252</b>	10,055,611
<b>Net Position</b>		
Net investment in capital assets	-	71,561
Unrestricted	1,013,953	1,048,431
Total net position	<b>1,013,953</b>	1,119,992
Total liabilities and net position	<b>\$ 11,274,205</b>	\$ 11,175,603

*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>		(As restated) Summarized		
		2022	2021	
		<b>Net (Expense) Revenue and Changes in Net Position</b>		
Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Economic environment				
Incumbent worker training	\$ 2,320,595	\$ -	\$ 2,320,595	\$ -
Quick response training	3,951,480	-	3,951,480	-
Other program costs	7,371,358	-	7,240,296	-
Total governmental activities	13,643,433	-	13,512,371	-
<b>General Revenues</b>				
Miscellaneous			25,023	44
Total general revenues			25,023	44
Change in net position			(106,039)	(59,945)
Net position at beginning of year			1,119,992	1,179,937
Net position at end of year			\$ 1,013,953	\$ 1,119,992

*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>	<b>2022</b>	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 6,323,543	\$ 6,684,918
Grants and contracts receivable	3,741,089	2,935,203
Prepaid expenses	96,953	164,017
Total current assets	<b>10,161,585</b>	9,784,138
<hr/>		
Total assets	<b>\$ 10,161,585</b>	\$ 9,784,138
<hr/>		
<b>Liabilities and Fund Balance</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,528,150	\$ 1,985,369
Unearned revenue	6,379,704	6,547,827
<hr/>		
Total current liabilities	<b>8,907,854</b>	8,533,196
<hr/>		
Fund balance		
Nonspendable - prepaid expenses	96,953	164,017
Unassigned	1,156,778	1,086,925
<hr/>		
Fund balance	<b>1,253,731</b>	1,250,942
<hr/>		
Total liabilities and fund balance	<b>\$ 10,161,585</b>	\$ 9,784,138
<hr/>		

*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>	<b>2022</b>	(As restated) 2021
Total fund balance of governmental fund	<b>\$ 1,253,731</b>	\$ 1,250,942
<p>Amounts reported for governmental activities in the statements of net position are different because:</p> <p>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	(200,535)	(202,511)
Lease payable	(1,151,863)	(1,319,904)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	127,697	224,803
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	984,923	1,166,662
Net position of governmental activities	<b>\$ 1,013,953</b>	\$ 1,119,992

*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>	<b>2022</b>	2021
<b>Revenues</b>		
Intergovernmental revenue	\$ 13,512,371	\$ 20,141,496
Miscellaneous	25,023	44
<b>Total revenues</b>	<b>13,537,394</b>	20,141,540
<b>Expenditures</b>		
Grants and aids	6,272,075	12,260,543
Other program costs	3,223,999	3,154,941
Salaries and benefits	3,121,153	3,299,772
Administration contracts	335,950	324,486
Occupancy	220,905	215,484
Dues and subscriptions	159,515	620,869
Travel	57,295	15,395
Office expenses	51,350	48,818
Professional fees and consultants	33,134	90,997
Board meetings and travel	24,803	21,466
Telephone and communications	19,889	45,254
Insurance	13,942	13,457
Training and registrations	595	18,644
Capital outlay	-	28,196
<b>Total expenditures</b>	<b>13,534,605</b>	20,158,322
Net change in fund balance	2,789	(16,782)
Fund balance at beginning of year	1,250,942	1,267,724
Fund balance at end of year	\$ 1,253,731	\$ 1,250,942

*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>		<b>2022</b>	(As restated)	<b>2021</b>
<hr/>				
Net change in fund balance - total governmental fund	\$	<b>2,789</b>	\$	(16,782)
<p>Amounts reported for governmental activities in the statements of activities are different because:</p> <p>Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>				
Change in compensated absences		<b>1,976</b>		49,894
Change in lease payable		<b>168,041</b>		155,763
<p>Governmental funds report capital outlays as expenditures. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense:</p>				
Capital outlay		-		28,196
Depreciation and amortization expense on capital assets		<b>(95,386)</b>		(95,162)
Amortization expense on lease asset		<b>(181,739)</b>		(181,739)
Loss on disposal of capital assets		<b>(1,720)</b>		(115)
<hr/>				
Change in net position of governmental activities	\$	<b>(106,039)</b>	\$	(59,945)
<hr/> <hr/>				

*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. The general fund is reported as a major fund.

***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 and lease payables 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, 2021, 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.



**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.

***Leases***

Lease contracts that provide the Organization with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

***Compensated Absences***

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.

**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, 2022 and 2021, 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, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021 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.

***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2022, and determined there are no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Guidance***

**GASB Statement No. 87**

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the guidance, lessees are required to recognize lease assets and lease liabilities in the statements of net position, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lessee should reduce the lease liability over the lease term as payments are made and recognize an expense for interest on the liability. Effective July 1, 2021, CareerSource Florida adopted GASB Statement No. 87 using the full retrospective method, which requires restatement of the financial statements for all prior periods presented.

**CareerSource Florida, Inc.**  
**Notes to Financial Statements**

**Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recent Accounting Guidance (Continued)***

The effect of the restatement on the statement of net position for the year ended June 30, 2021, is as follows:

<i>June 30, 2021</i>	As previously reported	Adjustment	As restated
Noncurrent assets			
Lease asset, net	\$ -	\$ 1,166,662	\$ 1,166,662
Long-term liabilities			
Lease payable	\$ -	\$ 1,319,904	\$ 1,319,904
Net position			
Net investment in capital assets	\$ 224,803	\$ (153,242)	\$ 71,561

The effect of the restatement on the statement of activities for the year ended June 30, 2021, is as follows:

Governmental activities			
Other program costs	\$ (34,013)	\$ (25,976)	\$ (59,989)
Change in net position	\$ (33,969)	\$ (25,976)	\$ (59,945)
Net position at beginning of year	\$ 1,307,203	\$ (127,266)	\$ 1,179,937
Net position at end of year	\$ 1,273,234	\$ (153,242)	\$ 1,119,992

Additionally, disclosures on the lease asset and lease payable were added.

**GASB Statement No. 96**

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, 2022 and 2021, the carrying amount of CareerSource Florida, Inc.'s deposits was \$6,323,543 and \$6,684,918, respectively, and the bank balance of CareerSource Florida, Inc.'s deposits was \$6,492,241 and \$6,812,337, 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, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022
Capital assets				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	327,595	-	(18,477)	309,118
Total capital assets	564,752	-	(18,477)	546,275
Less accumulated depreciation and amortization				
Leasehold improvements	(15,139)	(2,028)	-	(17,167)
Office furniture	(114,727)	(31,379)	-	(146,106)
Office equipment and computers	(210,083)	(61,979)	16,757	(255,305)
Total accumulated depreciation and amortization	(339,949)	(95,386)	16,757	(418,578)
Capital asset, net	\$ 224,803	\$ (95,386)	\$ (1,720)	\$ 127,697

**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, 2021:

	July 1, 2020	Increases	Decreases	June 30, 2021
<b>Capital assets</b>				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	300,961	28,196	(1,562)	327,595
<b>Total capital assets</b>	<b>538,118</b>	<b>28,196</b>	<b>(1,562)</b>	<b>564,752</b>
<b>Less accumulated depreciation and amortization</b>				
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)
<b>Total accumulated depreciation and amortization</b>	<b>(246,234)</b>	<b>(95,162)</b>	<b>1,447</b>	<b>(339,949)</b>
<b>Capital asset, net</b>	<b>\$ 291,884</b>	<b>\$ (66,966)</b>	<b>\$ (115)</b>	<b>\$ 224,803</b>

Depreciation and amortization expense related to capital assets was \$95,386 and \$95,162 for the years ended June 30, 2022 and 2021, respectively, which was charged to other program costs in the statements of activities.

**Note 4: LEASES**

The Organization leases office facilities under an agreement that expires in November 2027. The discount rate used as the interest rate was 4.25%, which is the Organization's incremental borrowing rate as of the commencement date of the lease.

The following is a summary of changes in lease assets during the year ended June 30, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022
<b>Lease asset</b>				
Right of use - facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
<b>Total lease asset</b>	<b>1,862,823</b>	<b>-</b>	<b>-</b>	<b>1,862,823</b>
<b>Less accumulated amortization</b>				
Right of use - facilities	(696,161)	(181,739)	-	(877,900)
<b>Total accumulated amortization</b>	<b>(696,161)</b>	<b>(181,739)</b>	<b>-</b>	<b>(877,900)</b>
<b>Lease asset, net</b>	<b>\$ 1,166,662</b>	<b>\$ (181,739)</b>	<b>\$ -</b>	<b>\$ 984,923</b>

**CareerSource Florida, Inc.**  
**Notes to Financial Statements**

**Note 4: LEASES (Continued)**

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

	July 1, 2020	Increases	Decreases	June 30, 2021
Lease asset				
Right of use - facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
Total lease asset	1,862,823	-	-	1,862,823
Less accumulated amortization				
Right of use - facilities	(514,422)	(181,739)	-	(696,161)
Total accumulated amortization	(514,422)	(181,739)	-	(696,161)
Lease asset, net	\$ 1,348,401	\$ (181,739)	\$ -	\$ 1,166,662

Amortization expense related to the lease asset was \$181,739 for each of the years ended June 30, 2022 and 2021, which was charged to other program costs in the statements of activities.

The following is a summary of changes in the lease payable during the year ended June 30, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022
Lease payable	\$ 1,319,904	\$ -	\$ (168,041)	\$ 1,151,863

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

	July 1, 2020	Increases	Decreases	June 30, 2021
Lease payable	\$ 1,475,667	\$ -	\$ (155,763)	\$ 1,319,904

Future debt service requirements on the lease payable at June 30, 2021 are as follows:

<i>For the years ending June 30,</i>	Principal	Interest	Total
2023	\$ 180,960	\$ 45,473	\$ 226,433
2024	194,547	37,520	232,067
2025	208,922	28,974	237,896
2026	224,047	19,803	243,850
2027	239,937	9,974	249,911
2028	103,450	1,102	104,552
Total	\$ 1,151,863	\$ 142,846	\$ 1,294,709



**Note 4: LEASES (Continued)**

Interest expense related to the lease payable was \$52,864 and \$59,721 for the years ended June 30, 2022 and 2021, respectively, which was charged to other program costs in the statements of activities.

**Note 5: COMPENSATED ABSENCES**

The following is a summary of changes in compensated absences during the year ended June 30, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022
Compensated absences	\$ 202,511	\$ -	\$ (1,976)	\$ 200,535

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

**Note 6: 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 \$306,979 and \$345,980 to the Plan during the years ended June 30, 2022 and 2021, respectively. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. Employees contributed \$172,646 and \$178,435 to the Plan during the years ended June 30, 2022 and 2021, 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, 2022 and 2021, plan forfeitures included in contribution expense totaled \$11,434 and \$13,002, respectively. Employer and employee contributions owed to the Plan as of June 30, 2022 and 2021 totaled \$14,977 and \$14,263, respectively. There were no expenses for the Plan paid for by CareerSource Florida during the years ended June 30, 2022 and 2021.

**Note 7: COMMITMENTS, CONCENTRATIONS, AND CONTINGENCIES**

See Note 4 for information on leases.

***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, 2022 and 2021.

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 8: RELATED PARTY TRANSACTIONS**

Receivables of \$3,741,089 and \$2,935,141 were due from the State of Florida, Department of Economic Opportunity, at June 30, 2022 and 2021, 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, 2022 and 2021 was \$13,512,371 and \$20,141,496, respectively.



## **OTHER REPORTS**



**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, 2022, 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, 2022.

**Report on 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.

### **Report on 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.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida

September 29, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND EACH MAJOR STATE PROJECT AND 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**

***Opinion on Each Major Federal Program***

We have audited CareerSource Florida, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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 major state projects for the year ended June 30, 2022. CareerSource Florida, Inc.'s major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 major state projects for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program and Major State Project***

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). Our responsibilities under those standards, the Uniform Guidance, the Rules of the Auditor General, and the special DEO guidance, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CareerSource Florida, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of CareerSource Florida, Inc.'s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CareerSource Florida, Inc.'s federal programs and state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CareerSource Florida, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, the Rules of the Auditor General, and the special DEO guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CareerSource Florida, Inc.'s compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, the Rules of the Auditor General, and the special DEO guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CareerSource Florida, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CareerSource Florida, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, the Rules of the Auditor General, and the special DEO guidance, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, the Rules of the Auditor General, and the special DEO guidance. Accordingly, this report is not suitable for any other purpose.

*Cary Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
September 29, 2022





**SUPPLEMENTARY INFORMATION**

**CareerSource Florida, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year ended June 30, 2022**

Grantor/Pass Through Grantor/ Title	Assistance Listing/CSFA Number	Contract/ Grant Number	Expenditures	Funds Provided to Subrecipients
<b>FEDERAL</b>				
<b><u>U.S. Department of Labor</u></b>				
<b>Passed through Florida Department of Economic Opportunity:</b>				
Employment Services Cluster				
Wagner - Peysner Funded Activities	17.207	BCS02, BCS03	\$ 1,689,161	\$ -
Workforce Investment and Opportunity Act (WIOA) Cluster				
WIA/WIOA Adult Program	17.258	BCS02, BCS03	1,481,475	-
WIA/WIOA Youth Activities	17.259	BCS02, BCS03	1,473,028	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	BCS02, BCS03	2,919,232	-
Total Workforce Investment and Opportunity Act (WIOA) Cluster			5,873,735	-
Total U.S. Department of Labor			7,562,896	-
<b><u>U.S. Department of Agriculture</u></b>				
<b>Passed through Florida Department of Economic Opportunity:</b>				
SNAP Cluster				
Food Stamp Employment and Training	10.561	BCS02, BCS03	1,112	-
Total U.S. Department of Agriculture			1,112	-
<b><u>U.S. Department of Health and Human Services</u></b>				
<b>Passed through Florida Department of Economic Opportunity:</b>				
Temporary Assistance for Needy Families	93.558	BCS02, BCS03	613,122	-
Total U.S. Department of Health and Human Services			613,122	-
<b><u>U.S. Department of Education</u></b>				
<b>Passed through Florida Department of Economic Opportunity:</b>				
Adult Education - Basic Grants to States	84.002A	BCS02, BCS03	449,938	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	BCS02, BCS03	449,938	-
Total U.S. Department of Education			899,876	-
Total expenditures of federal awards			\$ 9,077,006	\$ -
<b>STATE</b>				
<b><u>Florida Department of Economic Opportunity</u></b>				
Quick Response Training	40.026	BCS02, BCS03	\$ 3,951,480	\$ -
CareerSource Florida Operations	40.036	BCS02, BCS03	484,182	-
Total Florida Department of Economic Opportunity			4,435,662	-
Total expenditures of state financial assistance			\$ 4,435,662	-
Total expenditures of federal awards and state financial assistance			\$ 13,512,668	\$ -

*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, 2022, 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, 2022.

**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, 2022.

**Note 7: FEDERALLY FUNDED LOANS**

The Organization has no federally funded loans as of June 30, 2022. No funds were expended in the form of loan or loan guarantees during the fiscal year ended June 30, 2022.

**CareerSource Florida, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2022**

**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:

<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, 2022**

**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, 2022.
- (c) The Florida Department of Economic Opportunity’s 2020-21 Financial Compliance Monitoring Report issued on October 15, 2021 covering the period from April 1, 2020 to March 31, 2021 resulted in no findings, issues of non-compliance, observations, or items of technical assistance provided.