



CareerSource Florida, Inc.

**Financial Statements
and Other Financial Information**

Years ended June 30, 2023 and 2022



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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 years ended June 30, 2023 and 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, 2023 and 2022, and the respective changes in financial position for the years 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.

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 and *Government 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 October 2, 2023 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

Board of Directors
CareerSource Florida, Inc.
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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
October 2, 2023



**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, 2023. 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 \$900,919 (net position of \$900,919 is unrestricted). Assets exceeded liabilities at the close of the prior fiscal year by \$1,013,953 (net position of \$1,013,953 is unrestricted).

Government assistance, including pass-through grants, accounted for \$16,453,370 and \$13,512,371 in revenue for the years ended June 30, 2023 and 2022, respectively.

For the years ended June 30, 2023 and 2022, CareerSource Florida, Inc. spent \$985,047 and \$2,320,595, respectively, for Incumbent Worker Training programs, \$5,066,916 and \$3,951,480, respectively, for Quick Response Training, and \$10,515,963 and \$7,371,358, respectively, in other program costs, which include general, administrative, and contractual expenses. For the year ended June 30, 2023, CareerSource Florida, Inc. incurred \$16,567,926 in total expenses for a total increase of \$2,924,493 or 21.44% from the prior year. 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.

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, 2023.

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 2023 Statement of Net Position, which can be found on page 11 of this report with comparative information for the fiscal years 2022 and 2021.

CareerSource Florida, Inc.
Management's Discussion and Analysis

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

	2023	2022	2021
Assets			
Current and other assets	\$ 8,187,932	\$ 10,161,585	\$ 9,784,138
Capital and lease assets	862,214	1,112,620	1,391,465
Total assets	9,050,146	11,274,205	11,175,603
Liabilities			
Current liabilities	6,961,767	8,907,854	8,533,196
Long-term liabilities	1,187,460	1,352,398	1,522,415
Total liabilities	8,149,227	10,260,252	10,055,611
Net position			
Net investment in capital assets	-	-	71,561
Unrestricted	900,919	1,013,953	1,048,431
Total net position	\$ 900,919	\$ 1,013,953	\$ 1,119,992

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, 2023, CareerSource Florida, Inc.'s net position is \$900,919, which is a decline of \$113,034 in net position for the year. This decrease in net position represented a decrease of approximately 11.15% from the \$1,013,953 net position in 2022, and is the result of a decrease in capital assets due to depreciation and amortization in 2023, net of the decrease in unrestricted funds. For the year ended June 30, 2022, CareerSource Florida, Inc.'s net position was \$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 was the result of a decrease in capital assets due to depreciation and amortization in 2022, net of the decrease 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 2023 Statement of Activities found on page 12 of this report, with comparative information in 2022 and 2021.

CareerSource Florida, Inc.
Management's Discussion and Analysis

CAREERSOURCE FLORIDA, INC.'S STATEMENT OF ACTIVITIES

	2023	2022	2021
Revenues			
Operating grants and contributions	\$ 16,453,370	\$ 13,512,371	\$ 20,141,496
Other income	1,522	25,023	44
Total revenues	16,454,892	13,537,394	20,141,540
Expenses			
Program services:			
Incumbent worker training	985,047	2,320,595	2,192,293
Quick response training	5,066,916	3,951,480	10,068,250
Other program costs	10,515,963	7,371,358	7,940,942
Total expenses	16,567,926	13,643,433	20,201,485
Change in net position	(113,034)	(106,039)	(59,945)
Net position at beginning of year	1,013,953	1,119,992	1,179,937
Net position at end of year	\$ 900,919	\$ 1,013,953	\$ 1,119,992

Governmental activities decreased CareerSource Florida, Inc.'s net position by \$113,034, or by 11.15%, for the year ended June 30, 2023, and decreased CareerSource Florida, Inc.'s net position by \$106,039, or by 9.47%, for the year ended June 30, 2022. The following information related key points regarding the financial activities that significantly impacted the change in net assets:

- Operating grants and contributions revenue increased by \$2,940,999, or 21.77%, in 2023. This resulted from an increase in the amount of requested reimbursements in the Quick Response Training grant program in the year. Operating grants and contributions revenue 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 year.
- Incumbent Worker Training (IWT) grant reimbursements decreased by \$1,335,548, or 57.55%, in 2023, and increased by \$128,302, or 5.85%, in 2022. IWT 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, 2023, CareerSource Florida, Inc. received and processed fewer requested reimbursements, and for the year ended June 30, 2022, CareerSource Florida, Inc. received and processed more requested reimbursements.
- Quick Response Training (QRT) grant assistance increased by \$1,115,436, or 28.23%, in 2023, and decreased by \$6,116,770, or 60.75%, in 2022. 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, 2023, CareerSource Florida, Inc. received and processed more requested reimbursements, and for the year ended June 30, 2022, CareerSource Florida, Inc. received and processed fewer requested reimbursements.

CareerSource Florida, Inc. Management's Discussion and Analysis

- Other Program Costs increased by \$3,144,605, or 42.66%, in 2023. This increase is mostly in program costs due to additional contract expenses related to the REACH Act. 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.

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, 2023, total assets were \$8,187,932, of which cash accounted for 61.36% of the total balance. At June 30, 2022, total assets were \$10,161,585, of which cash accounted for 62.23% of the total balance.
- Cash decreased a total of \$1,299,076 in 2023 for a balance of \$5,024,467 at June 30, 2023. 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 \$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.
- Total general fund liabilities at June 30, 2023 were \$6,961,767, of which unearned revenues accounted for approximately 76.15% 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, 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 revenues were \$16,454,892 for the period ended June 30, 2023, an increase of \$2,917,498 or 21.55%. This increase was driven by more dollars being requested for reimbursement by QRT grantees and reimbursements for additional contract expenses related to the REACH Act. Total General Fund revenues were \$13,537,394 for the period ending 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 expenditures increased by \$2,947,853 in 2023, or 21.78%. This was primarily the result of increased spending of the QRT program and additional contract expenses related to the REACH Act. Total expenditures decreased by \$6,623,717 in 2022, or 32.86%. This was primarily the result of decreased spending of the QRT program.

CareerSource Florida, Inc. Management's Discussion and Analysis

Capital Asset Administration

CareerSource Florida, Inc.'s investment in capital assets amounts to \$-0- for both the years ended June 30, 2023 and 2022 (net of accumulated depreciation and amortization), which includes the lease right-to-use assets and related lease liability. Additional information on CareerSource Florida, Inc.'s capital and lease right-to-use 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>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 5,024,467	\$ 6,323,543
Grants and contracts receivable	3,070,767	3,741,089
Prepaid expenses	92,198	96,453
Total current assets	8,187,432	10,161,085
Noncurrent assets		
Capital assets, net	59,029	127,697
Lease right-to-use asset, net	803,185	984,923
Other assets	500	500
Total noncurrent assets	862,714	1,113,120
Total assets	\$ 9,050,146	\$ 11,274,205
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,660,067	\$ 2,528,150
Unearned revenue	5,301,700	6,379,704
Total current liabilities	6,961,767	8,907,854
Long-term liabilities		
Due within one year		
Lease liability	194,547	180,960
Due in more than one year		
Compensated absences	216,557	200,535
Lease liability	776,356	970,903
Total long-term liabilities	1,187,460	1,352,398
Total liabilities	8,149,227	10,260,252
Net Position		
Unrestricted	900,919	1,013,953
Total net position	900,919	1,013,953
Total liabilities and net position	\$ 9,050,146	\$ 11,274,205

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

CareerSource Florida, Inc.
Statements of Activities

<i>For the year ended June 30,</i>						2023
						Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenues			Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities						
Economic environment						
Incumbent worker training	\$ 985,047	\$ -	\$ 985,047	\$ -	\$ -	
Quick response training	5,066,916	-	5,066,916	-	-	
Other program costs	10,515,963	-	10,401,407	-	(114,556)	
Total governmental activities	16,567,926	-	16,453,370	-	(114,556)	
General Revenues						
Miscellaneous					1,522	
Total general revenues					1,522	
Change in net position					(113,034)	
Net position at beginning of year					1,013,953	
Net position at end of year					\$ 900,919	

<i>For the year ended June 30,</i>						2022
						Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Program Revenues			Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities						
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	-	(131,062)	
Total governmental activities	13,643,433	-	13,512,371	-	(131,062)	
General Revenues						
Miscellaneous					25,023	
Total general revenues					25,023	
Change in net position					(106,039)	
Net position at beginning of year					1,119,992	
Net position at end of year					\$ 1,013,953	

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>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 5,024,467	\$ 6,323,543
Grants and contracts receivable	3,070,767	3,741,089
Prepaid expenses	92,698	96,953
Total current assets	8,187,932	10,161,585
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Total assets	\$ 8,187,932	\$ 10,161,585
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Liabilities and Fund Balance		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,660,067	\$ 2,528,150
Unearned revenue	5,301,700	6,379,704
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Total current liabilities	6,961,767	8,907,854
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Fund balance		
Nonspendable - prepaid expenses	92,698	96,953
Unassigned	1,133,467	1,156,778
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Fund balance	1,226,165	1,253,731
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Total liabilities and fund balance	\$ 8,187,932	\$ 10,161,585
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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>	2023	2022
Total fund balance of governmental fund	\$ 1,226,165	\$ 1,253,731
Amounts reported for governmental activities in the statements of net position are different because:		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
Compensated absences	(216,557)	(200,535)
Lease liability	(970,903)	(1,151,863)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	59,029	127,697
Lease right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	803,185	984,923
Net position of governmental activities	\$ 900,919	\$ 1,013,953

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>	2023	2022
Revenues		
Intergovernmental revenue	\$ 16,453,370	\$ 13,512,371
Miscellaneous	1,522	25,023
Total revenues	16,454,892	13,537,394
Expenditures		
Other program costs	6,249,700	3,223,999
Grants and aids	6,051,963	6,272,075
Salaries and benefits	3,210,666	3,121,153
Administration contracts	372,490	335,950
Occupancy	226,432	220,905
Dues and subscriptions	102,921	159,515
Travel	62,770	57,295
Board meetings and travel	61,499	24,803
Office expenses	59,027	51,350
Professional fees and consultants	55,422	33,134
Telephone and communications	16,139	19,889
Insurance	13,310	13,942
Training and registrations	119	595
Total expenditures	16,482,458	13,534,605
Net change in fund balance	(27,566)	2,789
Fund balance at beginning of year	1,253,731	1,250,942
Fund balance at end of year	\$ 1,226,165	\$ 1,253,731

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>	2023	2022
Net change in fund balance - total governmental fund	\$ (27,566)	\$ 2,789
<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	(16,022)	1,976
Change in lease liability	180,960	168,041
<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>		
Depreciation and amortization expense on capital assets	(68,668)	(95,386)
Amortization expense on lease right-to-use asset	(181,738)	(181,739)
Loss on disposal of capital assets	-	(1,720)
Change in net position of governmental activities	\$ (113,034)	\$ (106,039)

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 and timing 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.

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.

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 \$5,000 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.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

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, 2023 and 2022, the applicable liability due to the State of Florida is included in accrued liabilities in the statements of net position.

Categories and Classification of Net Position and Fund Balance

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, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022 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 Organization 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, October 2, 2023, 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. 96

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

Note 1: SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Guidance (continued)

GASB Statement No. 96 (continued)

Effective July 2, 2022, CareerSource Florida implemented GASB Statement No. 96, which resulted in no adjustments or additional disclosures as the Organization has no SBITAs that required capitalization.

GASB Statement No. 100

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Organization is currently evaluating the impact of this guidance on its financial statements.

GASB Statement No. 101

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Organization is currently evaluating the impact of this 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, 2023 and 2022, the carrying amount of CareerSource Florida, Inc.'s deposits was \$5,024,467 and \$6,323,543, respectively, and the bank balance of CareerSource Florida, Inc.'s deposits was \$5,526,444 and \$6,492,241, 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 years ended June 30, 2023 and 2022:

	July 1, 2022	Increases	Decreases	June 30, 2023
Capital assets				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	309,118	-	-	309,118
Total capital assets	546,275	-	-	546,275
Less accumulated depreciation and amortization				
Leasehold improvements	(17,167)	(338)	-	(17,505)
Office furniture	(146,106)	(31,379)	-	(177,485)
Office equipment and computers	(255,305)	(36,951)	-	(292,256)
Total accumulated depreciation and amortization	(418,578)	(68,668)	-	(487,246)
Capital asset, net	\$ 127,697	\$ (68,668)	\$ -	\$ 59,029

CareerSource Florida, Inc.
Notes to Financial Statements

Note 3: CAPITAL ASSETS, NET (Continued)

	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

Depreciation and amortization expense related to capital assets was \$68,668 and \$95,386 for the years ended June 30, 2023 and 2022, 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 the lease right-to-use asset during the years ended June 30, 2023 and 2022:

	July 1, 2022	Increases	Decreases	June 30, 2023
Lease right-to-use asset				
Facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
Total lease right-to-use asset	1,862,823	-	-	1,862,823
Less accumulated amortization				
Facilities	(877,900)	(181,738)	-	(1,059,638)
Total accumulated amortization	(877,900)	(181,738)	-	(1,059,638)
Lease right-to-use asset, net	\$ 984,923	\$ (181,738)	\$ -	\$ 803,185

CareerSource Florida, Inc.
Notes to Financial Statements

Note 4: LEASES (Continued)

	July 1, 2021	Increases	Decreases	June 30, 2022
Lease right-to-use asset				
Facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
Total lease right-to-use asset	1,862,823	-	-	1,862,823
Less accumulated amortization				
Facilities	(696,161)	(181,739)	-	(877,900)
Total accumulated amortization	(696,161)	(181,739)	-	(877,900)
Lease right-to-use asset, net	\$ 1,166,662	\$ (181,739)	\$ -	\$ 984,923

Amortization expense related to the lease right-to-use asset was \$181,738 and \$181,739 for the years ended June 30, 2023 and 2022, respectively, which was charged to other program costs in the statements of activities.

The following is a summary of changes in the lease liability during the years ended June 30, 2023 and 2022:

	July 1, 2022	Increases	Decreases	June 30, 2023	Due within one year
Lease liability	\$ 1,151,863	\$ -	\$ (180,960)	\$ 970,903	\$ 194,547

	July 1, 2021	Increases	Decreases	June 30, 2022	Due within one year
Lease liability	\$ 1,319,904	\$ -	\$ (168,041)	\$ 1,151,863	\$ 180,960

Future debt service requirements on the lease payable at June 30, 2023 are as follows:

<i>For the years ending June 30,</i>	Principal	Interest	Total
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	\$ 970,903	\$ 97,373	\$ 1,068,276

CareerSource Florida, Inc.
Notes to Financial Statements

Note 4: LEASES (Continued)

Interest expense related to the lease liability was \$45,473 and \$52,864 for the years ended June 30, 2023 and 2022, 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 years ended June 30, 2023 and 2022:

	July 1, 2022	Increases	Decreases	June 30, 2023
Compensated absences	\$ 200,535	\$ 339,416	\$ (323,394)	\$ 216,557

	July 1, 2021	Increases	Decreases	June 30, 2022
Compensated absences	\$ 202,511	\$ 241,793	\$ (243,769)	\$ 200,535

Note 6: RETIREMENT PLAN

CareerSource Florida participates in a Safe Harbor 401k Plan (the Plan). 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 \$309,799 and \$306,979 to the Plan during the years ended June 30, 2023 and 2022, respectively. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. Employees contributed \$147,215 and \$172,646 to the Plan during the years ended June 30, 2023 and 2022, 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, 2023 and 2022, plan forfeitures included in contribution expense totaled \$26,261 and \$11,434, respectively. Employer and employee contributions owed to the Plan as of June 30, 2023 and 2022 totaled \$17,089 and \$14,977, respectively. There were no expenses for the Plan paid for by CareerSource Florida during the years ended June 30, 2023 and 2022.

Note 7: COMMITMENTS, CONCENTRATIONS, AND CONTINGENCIES

See Note 4 for information on lease commitments.

Significant Funding Source

CareerSource Florida receives a substantial amount of its funding from the United States Department of Labor, the United States Department of Health and Human Services, and the United States Department of Education passed through the State of Florida, Department of Economic Opportunity, and funding 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, 2023 and 2022.

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 \$3,069,267 and \$3,741,089 were due from the State of Florida, Department of Economic Opportunity, at June 30, 2023 and 2022, 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 and Department of Corrections, for the years ended June 30, 2023 and 2022 was \$15,752,284 and \$13,512,371, 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, 2023, 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 October 2, 2023.

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 or significant deficiencies may exist that were not 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 financial statements. 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

October 2, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND THE MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE 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 and Major State Project

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 the major state project for the year ended June 30, 2023. CareerSource Florida, Inc.'s major federal programs and the major state project 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 the major state project for the year ended June 30, 2023.

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 the 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 the 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
October 2, 2023



SUPPLEMENTARY INFORMATION

CareerSource Florida, Inc.
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year ended June 30, 2023

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-Peyser Funded Activities	17.207	BCS03	\$ 1,687,007	\$ -
Workforce Investment and Opportunity Act (WIOA) Cluster				
WIA/WIOA Adult Program	17.258	BCS03	2,138,660	-
WIA/WIOA Youth Activities	17.259	BCS03	2,086,976	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	BCS03	2,377,221	-
Total Workforce Investment and Opportunity Act (WIOA) Cluster			6,602,857	-
Total U.S. Department of Labor			8,289,864	-
<u>U.S. Department of Health and Human Services</u>				
Passed through Florida Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	BCS03	662,372	-
Total U.S. Department of Health and Human Services			662,372	-
<u>U.S. Department of Education</u>				
Passed through Florida Department of Economic Opportunity:				
Adult Education - Basic Grants to States (WIOA Title II)	84.002A	BCS03	747,866	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	BCS03	747,866	-
Total U.S. Department of Education			1,495,732	-
Total expenditures of federal awards			\$ 10,447,968	\$ -
STATE				
<u>Florida Department of Economic Opportunity</u>				
Quick Response Training	40.026	BCS03	\$ 5,066,916	\$ -
CareerSource Florida Operations	40.036	BCS03	237,400	-
Total Florida Department of Economic Opportunity			5,304,316	-
Total expenditures of state financial assistance			\$ 5,304,316	-
Total expenditures of federal awards and state financial assistance			\$ 15,752,284	\$ -

*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 Assistance Listing Numbers (ALN) 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, 2023, 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, 2023.

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, 2023.

Note 7: FEDERALLY FUNDED LOANS

The Organization has no federally funded loans as of June 30, 2023. No funds were expended in the form of loan or loan guarantees during the fiscal year ended June 30, 2023.

CareerSource Florida, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

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>ALN</u>	<u>Federal Program</u>
17.207	Wagner-Peyser Funded Activities
84.002A	Adult Education - Basic Grants to States

- | | |
|---|-----------|
| 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, 2023

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:
- | | |
|--------------------|-------------------------|
| <u>CSFA Number</u> | <u>State Project</u> |
| 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, 2023.
- (c) The Florida Department of Economic Opportunity’s 2021-22 Financial Compliance Monitoring Report issued on December 28, 2022 covering the period from April 1, 2021 to March 31, 2022 resulted in no findings, issues of non-compliance, observations, or items of technical assistance provided.



CareerSource Florida, Inc.

**Required Recommendations and
Internal Control Recommendations**

June 30, 2023



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REQUIRED COMMUNICATIONS

Required Communications

As discussed with the Board and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for CareerSource Florida, Inc. (“CareerSource Florida” or “the Organization”). Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on CareerSource Florida’s financial statements for the year ended June 30, 2023.
- Communicate directly with the Board and management regarding the results of our procedures;
- Address with the Board and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board and management; and
- Perform other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of CareerSource Florida for the year ended June 30, 2023, and have issued our report thereon dated October 2, 2023. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards, Government Auditing Standards, 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 (Uniform Guidance), 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).</p>	<p>As stated in our engagement letter dated July 28, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of CareerSource Florida. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p> <p>Our audit also consisted of issuing reports regarding the Organization's internal control, in accordance with Government Auditing Standards, and compliance with certain compliance requirements as it relates to the Organization's major federal programs and major state projects in accordance with Uniform Guidance and Rules of the Auditor General.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Organization and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Organization's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Organization in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> • <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i> 	<p>The significant accounting policies used by the Organization are described in Note 1 to the financial statements.</p> <p>Effective July 1, 2022, the Organization adopted GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> (GASB 96) This resulted in no adjustments or additional disclosures as the Organization has no such arrangements that required capitalization.</p> <p>We noted no transactions entered into by the Organization during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the Organization's financial statements are neutral, consistent, and clear.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Organization, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	<p>See "Internal Controls" section.</p>
<p>Fraud and illegal acts <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Other information in documents containing audited financial statements <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p>Required Supplementary Information <i>The auditors' responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>
<p>Supplementary Information in relation to the financial statements as a whole <i>The auditors' responsibility for supplementary information accompany the financial statements, as well as any procedures performed and the results.</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Organization's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Capital Assets	Capital assets are depreciated or amortized over their estimated useful lives.	Yes	Useful lives are estimated based on experience with similar assets and guidance provided by the AICPA Auditing & Accounting Guide.	Policy appears to be in accordance with all applicable accounting guidelines.
Leases	Lease assets and liabilities are recorded at discounted cash flows based on the payments per the underlying lease agreement and the Organization's incremental borrowing rate. Lease assets are amortized over the shorter of their estimated useful lives or the lease terms.	Yes	The Organization used the J.P. Morgan Prime Rate as of the commencement date of the lease as the incremental borrowing rate. Useful lives are estimated based on experience with similar assets and guidance provided by the AICPA Auditing & Accounting Guide.	Policy appears to be in accordance with all applicable accounting guidelines.
Allowance for Doubtful Accounts	The Organization maintains an allowance for doubtful accounts.	Yes	The Organization 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.	Policy appears to be in accordance with all applicable accounting guidelines.

**Accounting Policies, Judgments and Sensitive Estimates &
CRI Comments on Quality**

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Expenses	The Organization allocates indirect expenses based on its cost allocation plan.	Yes	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 from the prior quarter.	Policy appears to be in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Organization and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Organization or passed (uncorrected).

No adjustments were identified and provided to the Organization.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Organization's operating environment that has been identified as playing a significant role in the Organization's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Management Representation Letter



Stephanie Smith
Chair

Adrienne Johnston
President & CEO

October 2, 2023

Carr, Riggs & Ingram, LLC
2633 Centennial Blvd, Suite 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of CareerSource Florida, Inc. (the Organization), which comprise the respective financial position of the governmental activities and the major fund as of June 30, 2023 and 2022, and the respective changes in financial position for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 28, 2022 and amendment dated July 5, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

PO Box 13179
Tallahassee, FL 32317
(850) 792-5242
careersourceflorida.com



Management Representation Letter

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) There is no known actual or possible litigation, claims, and assessments to be accounted for and disclosed in accordance with U.S. GAAP.
- 9) There are no guarantees, whether written or oral, under which the Organization is contingently liable, required to be recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and state financial assistance.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the names of the Organization's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.



Management Representation Letter

- 21) The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related disclosures, schedule of expenditures of federal awards and state financial assistance, federal data collection form, and tax returns, and assisted in preparing journal entries (other than proposed entries) related to recording capital assets, lease assets and payables, and accrued compensation absences in the government-wide financial statements. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience (Andrew Collins, COO/CFO); evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, schedule of expenditures of federal awards and state financial assistance, federal data collection form, tax returns, and journal entries prepared.
- 26) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), or provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) The financial statements include all fiduciary activities required by [GASB Statement No. 84](#), as amended.
- 30) The financial statements properly classify all funds and activities in accordance with GAAP.
- 31) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.



Management Representation Letter

financial assistance, federal and state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance related to each of our federal programs and state projects, and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that are considered to have a direct and material effect on each major federal program and major state project.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that we are managing our federal awards and state financial assistance in compliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a material effect on our federal programs and state projects. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards and state financial assistance (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal programs and state projects and related activities.
- h) We have received no requests from a federal or state agency to audit one or more specific federal programs as a major program or state projects as a major project.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addenda), relating to federal awards, and Department of Financial Services' State Projects Compliance Supplement relating to state financial assistance, and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards and state financial assistance.
- j) We have disclosed any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E), the Rules of the Auditor General, and special DEO guidance.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state project financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.



Management Representation Letter

- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
- r) Federal program and state project financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program and state project financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards and state financial assistance in accordance with applicable cost principles.
- u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- w) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____

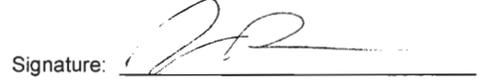
Title: _____



Andrew Collins Coo/CFO

Signature: _____

Title: _____



Josh Booth - Accounting Director





**INTERNAL CONTROL
RECOMMENDATIONS**

The Board of Directors and Management of
CareerSource Florida, Inc.

In planning and performing our audit of the governmental activities and the major fund of CareerSource Florida, Inc. (the Organization), as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's system of internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, Board of Directors, others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Cary Riggs & Ingram, L.L.C.

Tallahassee, Florida
October 2, 2023