FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021

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T A B L E O F C O N T E N T S

FINANCIAL SECTION

Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
First Coast Workforce Development Consortium Fleming Island, Florida

We have audited the accompanying financial statements of First Coast Workforce Development Consortium, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the First Coast Workforce Development Consortium, as of September 30, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022, on our consideration of the First Coast Workforce Development Consortium'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering First Coast Workforce Development Consortium's internal control over financial reporting and compliance.

Powell & Jones

POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 15, 2022

The management of the First Coast Workforce Development Consortium (the Consortium) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended September 30, 2021.

Basic Financial Statements

Our basic financial statements are prepared using proprietary fund (enterprise fund) accounting principles that use the same basis of accounting as private-sector business enterprises. The Consortium is operated under one enterprise fund. Under this method of accounting, an economic resources measurement focus and the accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of activities and a statement of cash flows. These are followed by notes to the financial statements.

The statement of net position presents information on the Consortium's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Consortium is improving or deteriorating.

The statement of activities reports the operating revenues and expenses and nonoperating revenues and expenses of the Consortium for the fiscal year with the difference - the net income or loss - being combined with any capital grants to determine the net change in assets for the fiscal year. That change combined with the net position at the end of the previous year total to the net position at the end of the current fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities and investing activities. The net result of these activities added to the beginning of the year cash balance total to the cash and cash equivalent balance at the end of the current fiscal year.

Condensed Financial Information

Condensed financial information from the statements of net position at September 30, 2021 and 2020, and changes in net position for the years then ended, follows:

Net Position

	Year Ended September 30,	
	2021	2020
Assets:		
Current and other assets	$ 725,701	$ 747,853
Total Assets	725,701	747,853
Deferred outflows of resources:	2,035,398	3,044,167
Liabilities:		
Current liabilities	375,934	376,879
Long-term liabilities	3,413,474	8,514,268
Total liabilities	3,789,408	8,891,147
Deferred inflows of resources:	4,033,757	383,191
Net position:		
Unrestricted	(5,062,066)	(5,482,318)
Total net position	$ (5,062,066)	$ (5,482,318)

Change in Net Position

	Year Ended September 30,	
	2021	2020
Operating revenues:		
Employment contract revenues	$ 8,180,770	$ 8,211,622
Total operating revenues	8,180,770	8,211,622
Operating expenses:		
Personnel services	7,734,716	9,183,601
Professional fees	10,949	10,798
Other	14,853	15,096
Total operating expenses	7,760,518	9,209,495
Operating income (loss)	420,252	(997,873)
Net position - beginning of year	(5,482,318)	(4,484,445)
Net position - end of year	$ (5,062,066)	$ (5,482,318)

During the year ended September 30, 2021, net position increased by $420,252.

The Consortium implemented GASB 68 “Accounting and Financial Reporting for Pensions” The pronouncement requires the Consortium to report its pro rata share of the Net Pension Liability relating to its participation in the Florida Retirement System on the Consortium’s financial statements. This liability, totaling $3,081,804 at September 30, 2021, caused the Net Position to be increased to $(5,062,066) at year end. Due to the fact that management does not anticipate being required to directly fund any portion of this deficit, this condition is not considered to be detrimental. Management anticipates that the Florida Retirement System will periodically adjust current contribution rates to fund the net pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The availability of funding resources for the Consortium is entirely dependent upon the budgetary resources available through the primary funding source, First Coast Workforce Development, Inc. The fiscal year 2021-22 budget for First Coast Workforce Development, Inc. indicates stability in revenue attributable to government appropriations and/or increased grant activity. These indicators were taken into account when adopting the Consortium 2021-22 budget.

CONTACTING THE CONSORTIUM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Consortium's finances to all those with an interest in the Consortium's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to First Coast Workforce Development Consortium, 1845 Town Center Boulevard, Suite 250, Fleming Island, Florida 32003.

BASIC FINANCIAL STATEMENTS

FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM

STATEMENT OF NET POSITION

September 30, 2021

		Business - type Activities
ASSETS		
Current assets		
Cash	$	643,607
Prepaid expense		46,525
Accounts receivable		35,569
Total current assets		725,701
Total assets		725,701
DEFERRED OUTFLOWS OF RESOURCES		2,035,398
LIABILITIES		
Current liabilities		
Accrued liabilities		298,135
Compensated absences, current portion		77,799
Total current liabilities		375,934
Long-term liabilities		
Compensated absences, net of current portion		331,670
Net pension liability		3,081,804
Total long-term liabilities		3,413,474
Total liabilities		3,789,408
DEFERRED INFLOWS OF RESOURCES		4,033,757
NET POSITION		
Unrestricted		(5,062,066)
Total net position	$	(5,062,066)

See notes to financial statements.

FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2021

	Business - type Activities
Program revenues:	
Employment contract revenues	$ 8,180,770
Expenses:	
Salaries and wages	5,945,257
Fringe benefits	1,789,459
Audit fees	10,949
Software maintenance	10,283
Bank fees	4,395
Registration fees	175
Total expenses	7,760,518
Net gain	420,252
Net position - beginning of year	(5,482,318)
Net position - end of year	$ (5,062,066)

See notes to financial statements.

FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended September 30, 2021

Cash flows from operating activities		
Cash received from customers and users	$	8,187,617
Cash paid to suppliers		(34,448)
Cash paid for employee services		(8,177,122)
Net cash used by operating activities		(23,953)
Net decrease in cash		(23,953)
Cash, beginning of year		667,560
Cash, end of year	$	643,607

Reconciliation of change in net position to cash flows provided by operating activities:		
Change in net position	$	420,252
Adjustments to reconcile change in net position to net cash used for operating activities:		
Decrease (increase) in assets:		
Accounts receivable		6,847
Prepaid expenses		(8,646)
Deferred outflows of resources		1,008,769
Increase (decrease) in liabilities:		
Accounts payable		-
Accrued expenses		4,029
Compensated absences		(26,182)
Net pension liability		(5,079,587)
Deferred inflows of resources		3,650,565
Total adjustments		(444,205)
Net cash used by operating activities	$	(23,953)

See notes to financial statements.

FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Summary of significant accounting policies

The accounting and reporting policies of First Coast Workforce Development Consortium (the Consortium) conform in all material respects to generally accepted accounting principles (GAAP) applicable to local governments. The following is a summary of the more significant policies.

A. Basis of Presentation – The accompanying financial statements of First Coast Workforce Development Consortium have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for units of local government.

B. Financial Reporting Entity – First Coast Workforce Development Consortium was organized on January 1, 1999, pursuant to Chapter 189, Florida Statutes as an independent special district and specifically created by an interlocal agreement pursuant to Chapter 163, Florida Statutes, in order to provide the Boards of County Commissioners of Baker, Clay, Duval, Nassau, Putnam and Saint John's Counties with a means of carrying out their individual responsibilities as required by the Workforce Florida Act of 1996 as amended.

In accordance with GAAP, the Consortium has determined that there are no potential component units that it must include within its financial statements.

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Consortium. The Consortium has only business-type activity and does not engage in any governmental activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for staffing services provided to its affiliate. Fund financial statements are not presented.

3. Measurement focus, basis of accounting and financial statement presentation

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.

4. Budgets and budgetary accounting

Budgets are prepared and original budgets are adopted annually and periodically amended in accordance with procedures and time intervals prescribed by Section 189.418, Florida Statutes. During the fiscal year ended September 30, 2021, the Board adopted the annual budget for its operations in compliance with this section of law. The Consortium submits the budget to all regulatory agencies via posting on the official website as part of the approval process.

Appropriations are controlled at the object level (salaries, payroll taxes, and fringe benefits) within each activity (e.g. personnel services and administration) and may be amended at any Board meeting within sixty days of the end of the fiscal year. Budgets are prepared using the same accrual basis as is used to account for actual transactions.

5. Cash and cash equivalents

For purposes of the financial statement of cash flows, the Consortium considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

6. Relationship with Affiliate

The Consortium, pursuant to Section 163.01(7), Florida Statutes, provides all of the personnel and acts as the employer of record for the FRS eligible employees of its affiliate, First Coast Workforce Development, Inc., a nonprofit Florida corporation and Internal Revenue Code Section 501(c)(3) organization. These employment contract transactions comprise all of the Consortium's financial activities for the year ended September 30, 2021. First Coast Workforce Development, Inc., whose fiscal year ends June 30, 2021, operates and implements workforce and welfare programs as well as related programs in a six-county workforce development area of Florida (RWB Region 8).

First Coast Workforce Development, Inc. has been designated by the Consortium as the grant recipient and administrative entity for all WIOA (Workforce Innovation and Opportunity Act), Wagner-Peyser, and TANF (Temporary Assistance for Needy Families) grants and other job training related grants for RWB Region 8.

7. Use of Estimates

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Consortium has only one item that qualifies for reporting in this category. This is the deferred charge on pensions in the statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Consortium's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Consortium has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Consortium's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

NOTE 2. CASH ON DEPOSIT

At September 30, 2021, the Consortium's cash on deposit in its bank account was $643,607 all of which was insured by federal depository insurance or pledged collateral. Monies placed on deposit with a financial institution in the form of a demand deposit account are defined as public deposits. All of the Consortium's public deposits are held in a qualified public depository pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act.

NOTE 3. LONG-TERM LIABILITIES

Changes in Long-term Liabilities: Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
Compensated absences	$ 435,651	$ -	$ (26,182)	$ 409,469	$ 77,799
Net pension liability	8,161,391	-	(5,079,587)	3,081,804	-
	$ 8,597,042	$ -	$ (5,105,769)	$ 3,491,273	$ 77,799

The compensated absences liability and net pension liability will be liquidated through normal operations.

NOTE 4. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS – FLORIDA RETIREMENT SYSTEM PLAN AND THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

Florida Retirement System:

General Information - All of the Consortium's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The FRS and HIS contribution rates were as follows:

Class	October 1, 2020 - 30-Jun-21	July 1, 2021 - 30-Sep-21
Regular Class	10.00%	10.82%
Special Risk Class	24.46%	25.89%
Special Risk Administrative Support	35.84%	37.76%
County Elected Officers Class	49.18%	51.42%
Senior Management Class	27.29%	29.01%
Deferred Retirement Option Program (DROP)	16.98%	18.34%

The Consortium's contributions, including employee contributions, to the Pension Plan totaled $632,312 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Consortium reported a liability of $1,077,588 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Consortium's proportionate share of the net pension liability was based on the Consortium's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the Consortium's proportionate share was 0.014265389 percent, which was an increase of 0.64 % from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Consortium recognized pension expense of $70,675. In addition, the Consortium reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 184,700	$ -
Changes in assumptions	737,339	-
Net difference between projected and actual earnings on Pension Plan investments	-	3,759,434
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	387,288	83,117
Pension Plan contributions subsequent to the measurement date	132,331	-
Total	$ 1,441,658	$ 3,842,551

The deferred outflows of resources related to the Pension Plan, totaling $132,332 resulting from Consortium contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	$ (446,165)
2023	(520,269)
2024	(689,156)
2025	(883,106)
2026	5,473
Thereafter	-
	$ (2,533,223)

Actuarial Assumptions – The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%
Discount Rate	6.80%
Investment Rate of Return	6.80%

Mortality rates were based on Pub-2010 base table generational mortality using the gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2021 valuations were based on the results of an actuarial experience study, completed in 2019, for the period July 1, 2013 through June 30, 2018.

The following change in actuarial assumptions occurred in 2021:

The long-term expected rate of return was decreased from 7.00% to 6.80%.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	3.70%	5.70%	5.40%	8.40%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.20%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future Benefit payments of current active and inactive employees. Therefore, the discount rate for the calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Consortium's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Consortium's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Consortium's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.80% or one percentage point higher 7.80% than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Consortium's proportionate share of the net pension liability	$ 4,819,046	$ 1,077,588	$ (2,049,851)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Consortium did not have any payables to report for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66% and 1.66%, respectively. The Consortium contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The Consortium's contributions, including employee contributions to the HIS Plan, totaled $111,779 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Consortium reported a liability of $2,004,216 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Consortium's proportionate share of the net pension liability was based on the Consortium's 2020-21 fiscal year contributions relative to the 2020-2021 fiscal year contributions of all participating members. At June 30, 2021, the Consortium's proportionate share was 0.016338937 percent, which was an decrease of 1.13 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2021, the Consortium recognized pension expense of $159,775. In addition, the Consortium reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 67,066	$ 839
Changes in assumptions	157,487	82,579
Net difference between projected and actual earnings on HIS Plan investments	2,089	-
Changes in proportion and differences between HIS Plan contributions and proportionate share of contributions	345,438	107,788
HIS Plan contributions subsequent to the measurement date	21,660	-
Total	$ 593,740	$ 191,206

The deferred outflows of resources related to the HIS Plan, totaling $21,660 resulting from Consortium contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	$ 104,905
2023	33,420
2024	68,955
2025	91,529
2026	68,453
Thereafter	13,612
	$ 380,874

Actuarial Assumptions – The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%
Municipal bond rate	2.16%

Mortality rates were based on Pub-2010 base table generational mortality using the gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study, completed in 2019, for the period July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20- Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Consortium's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Consortium's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the Consortium's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 1.16% or one percentage point higher 3.16% than the current rate:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Consortium's proportionate share of the net pension liability	$ 2,317,068	$ 2,004,216	$ 1,747,904

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2021, the Consortium did not have any payables to report for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

Defined Contribution Plan - Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defied benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021 were $111,779.

NOTE 5. LEAVE POLICIES

All full-time employees accrue leave monthly based on their years of employment. The annual accrual rate is:

Years 1 - 5 - 10 hours per year
Years 6 - 10 - 15 hours per year
After 10 years - 20 hours per year

At the end of each fiscal year a maximum of 400 hours of unused leave may be carried over to the next fiscal year by an employee. Upon termination of employment from the Consortium, an employee is paid for all unused leave. The liability for unused leave at September 30, 2021, is $409,469.

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

The Consortium is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the Consortium or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retirees are receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Consortium's younger and statistically healthier active employees. GASB Statement 45 requires governments to report this cost and related liability in its financial statements.

Due to the fact that there were no retirees participating in the plan during the year and it is anticipated that this situation will continue in the future due to the fact that most employees work until they are eligible for Medicare benefits, management had determined that the Consortium's OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

NOTE 7. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2021 the Consortium earned $8,180,770 in revenues from its affiliate, First Coast Workforce Development, Inc.

At September 30, 2021, the total amount due from First Coast Workforce Development, Inc. was $35,569.

NOTE 8. ECONOMIC DEPENDENCY

The Consortium's only source of revenue is from employment contract activities with its affiliate, First Coast Workforce Development, Inc.

NOTE 9. LEGAL MATTERS

From time to time, the Consortium may be involved in various types of legal actions relating to its operations. In the opinion of management, such activities will not have a significant effect on the financial position or results of operations of the Consortium.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FIRSCT COAST WORKFORCE DEVELOPMENT BOARD CONSORTIUM'S

PROPORTIONATE SHARE OF NET PENSION LIABILITY

FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM

LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Consortium's proportionate share of the FRS net pension liability	0.014265389%	0.014174904%	1.315960500%	0.004485714%	0.004789156%	0.004770012%	0.005339440%	0.005372006%
Consortium's proportionate share of the FRS net pension liability	$ 1,077,588	$ 6,143,612	$ 4,531,985	$ 1,351,120	$ 1,416,600	$ 1,204,432	$ 689,660	$ 327,771
Consortium's proportionate share of the HIS net pension liability	0.016338937%	0.016525843%	1.415071500%	0.005604617%	0.005934001%	0.005796838%	0.005914848%	0.005999943%
Consortium's proportionate share of the HIS net pension liability	2,004,216	2,017,779	1,583,323	593,199	634,491	675,597	603,221	561,009
Consortium's proportionate share of the total net pension liability	$ 3,081,804	$ 8,161,391	$ 6,115,308	$ 1,944,319	$ 2,051,091	$ 1,880,029	$ 1,292,881	$ 888,780
Consortium's covered-employee payroll	$ 5,800,266	$ 5,712,966	$ 5,267,653	$ 1,935,700	$ 1,875,622	$ 1,901,125	$ 1,741,507	$ 1,714,990
Consortium's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.13%	142.86%	116.09%	100.45%	109.36%	98.89%	74.24%	51.82%
Plan fiduciary net position as a percentage of the total pension liability FRS	96.40%	78.85%	82.62%	84.26%	83.89%	84.88%	92.00%	96.09%
Plan fiduciary net position as a percentage of the total pension liability HIS	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1) The amounts presented for each year were determined as of the June 30 year end of the Florida Retirement System

*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIRST COAST WORKFORCE DEVELOPMENT CONSORTIUM'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	$ 632,312	$ 440,919	$ 381,235	$ 314,811	$ 362,509	$ 366,724	$ 399,605	$ 342,899
Contractually required HIS contribution	111,779	89,155	70,613	111,726	74,978	63,962	70,519	60,511
Total Contractually Required Contributions	744,091	530,074	451,848	426,537	437,487	430,686	470,124	403,410
Contributions in relation to the contractually required contribution	(744,091)	(530,074)	(451,848)	(426,537)	(437,487)	(430,686)	(470,124)	(403,410)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consortium's covered-employee payroll	$ 5,800,266	$ 5,712,966	$ 5,267,653	$ 3,639,935	$ 3,909,824	$ 4,077,816	$ 4,361,620	$ 4,542,255
Contributions as a percentage of covered-emloyee payroll	12.83%	9.28%	8.58%	11.72%	11.19%	10.56%	10.78%	8.88%

*GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, only those years for which information is available is presented.

See notes to the required supplementary information.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FIRST COAST WORKFORCE CONSORTIUM'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND REQUIRED CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
For the Fiscal Year End September 30, 2021

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2021, are shown below (in thousands):

	FRS	HIS
Total pension liability	$ 209,636,046	$ 12,719,121
Plan fiduciary net position	(202,082,183)	(452,618)
	$ 7,553,863	$ 12,266,503
Plan fiduciary net position as a percentage of the total pension liability	96.40%	3.56%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013, through June 30, 2021, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015, through June 30, 2021, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long- term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table, (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2021:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

- HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2021.

FRS Net Pension Liability

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Consortium's proportionate share of the net pension liability	$ 33,781,383,454	$ 7,553,863,454	$ (14,369,402,546)

HIS Net Pension Liability

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Consortium's proportionate share of the net pension liability	$ 14,181,266,208	$ 12,266,503,481	$ 10,697,783,617

PENSION EXPENSE AND DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021, was 5.7 years for FRS and 6.4 years for HIS.

COMPLIANCE SECTION

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

To the Board of Commissioners
First Coast Workforce Development Consortium
Fleming Island, 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 business-type activities of First Coast Workforce Development Consortium, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise First Coast Workforce Development Consortium's basic financial statements, and have issued our report thereon dated February 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered First Coast Workforce Development Consortium'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 First Coast Workforce Development Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of First Coast Workforce Development Consortium's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether First Coast Workforce Development Consortium's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

POWELL & JONES
Certified Public Accountants
February 15, 2022

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Board of Commissioners
First Coast Workforce Development Consortium
Fleming Island, Florida

Report on the Financial Statements

We have audited the basic financial statements of First Coast Workforce Development Consortium (Consortium) as of and for the year ended September 30, 2021, and have issued our report thereon dated February 15, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on a Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 21, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Consortium has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Consortium did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Consortium reported the following data:

a. The total number of Consortium employees compensated in the last pay period of the District's fiscal year: <u>122</u>

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: <u>None</u>

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: <u>$5,830,276</u>

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: <u>Zero</u>

e. Each construction project with a total cost of at least $65,000 approved by the Consortium that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as: <u>None</u>

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Consortium amends a final adopted budget under Section 189.016(6), Florida Statures, as follows: <u>The District's original budget totaled $ 8,507,961 and was amended by the total amount of $0, for final budgeted expenditures of $7,760,518.</u>

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings

Purpose of this Letter

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

Powell & Jones

POWELL & JONES
Certified Public Accountants
February 15, 2022

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners
First Coast Workforce Development Consortium Fleming Island, Florida

We have examined the First Coast Workforce Development Consortium's (the Consortium) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management is responsible for the Consortium's compliance with those requirements. Our responsibility is to express an opinion on the Consortium's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Consortium's compliance with specified requirements.

In our opinion, the Consortium complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Consortium and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

POWELL & JONES
Certified Public Accountants
February 15, 2022

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Commissioners
First Coast Workforce Development Consortium

We have audited the financial statements of First Coast Workforce Development Consortium for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by First Coast Workforce Development Consortium are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2022.

Management Consultations with Other Independent Accountants

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

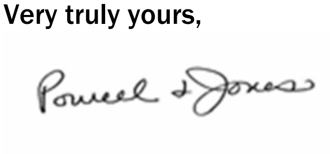
Other Audit Findings or Issues

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

<u>Other Information in Documents Containing Audited Financial Statements</u>

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

This information is intended solely for the use of the Board of Commissioners and management of First Coast Workforce Development Consortium, and is not intended to be and should not be used by anyone other than these specified parties.
Very truly yours,



POWELL & JONES
Certified Public Accountants
February 15, 2022