### FLORIDA SINGLE AUDIT ACT – NONPROFIT AND FOR-PROFIT ENTITIES FINANCIAL REPORTING PACKAGE SUBMITTAL CHECKLIST

<b>Entity Name</b>	: CareerSource Florida Inc.
Entity Type	(Nonprofit, For-Profit): Nonprofit
Entity Addre	SS: PO Box 13179 Tallahassee, FL 32317
Entity Conta	
Name	· Josh Booth
Title:_	Accounting Director
Phone	e Number:
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CPA Firm C	ontact Person:
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Title:	Partner
Phone	e Number: 850-878-8777
E-mai	l Address:mcarter@cripa.com
Fiscal Year	Audited: 07-01-2021-06-30-2022
Date the aud	ditor delivered the audit report to the entity: 09-30-2022
	ancial reporting package include the following items required by Section 10.656(3), Auditor General:
Required fo	r State single audits as defined by Section 215.97(2)(x), Florida Statutes, and
	ific audits as defined by Section 215.97(2)(w), Florida Statutes:
X	A schedule of expenditures of State financial assistance as described in Section 10.656(3)(d)1., Rules of the Auditor General? <b>NOTE:</b> The schedule of expenditures of State financial assistance, when applicable, is required to be combined with the schedule of expenditures of Federal awards.
X	The auditor's report on the schedule of State financial assistance as described in Section 10.656(3)(d)2., Rules of the Auditor General?
X	The auditor's report on compliance with requirements that could have a direct and material effect on each major State project and on internal control over compliance as described in Section 10.656(3)(d)3., Rules of the Auditor General?
X	A schedule of findings and questioned costs as described in Section10.656(3)(d)4., Rules of the Auditor General?
X	A summary schedule of prior audit findings as described in Section 10.656(3)(d)5., Rules of the Auditor General? <b>NOTE:</b> If a schedule of prior audit findings is not presented because there are no prior audit findings to be reported, this should be stated in the schedule of findings and questioned costs.

<u>N/A</u>	A corrective action plan as described in Section 10.656(3)(d)6., Rules of the Auditor General?
<u>X</u>	The management letter defined in Section 10.654(1)(e), Rules of the Auditor General, and, if applicable, a written statement of explanation or rebuttal, including corrective action to be taken, concerning the deficiencies cited in the management letter (see Section 10.656(3)(e), Rules of the Auditor General)? <b>NOTE:</b> If a management letter is not presented because there are no items related to State financial assistance required to be reported in the management letter, this should be stated in the schedule of findings and questioned costs.
<u> </u>	Are all of the elements of the financial reporting package included in a <b>single document</b> as required by Section 10.656(3), Rules of the Auditor General?
<u> </u>	Are <b>one</b> paper copy and <b>one</b> electronic copy of the financial reporting package being submitted as required by Section 10.657(1), Rules of the Auditor General?
<u> </u>	Is the financial reporting package being submitted within 45 days after receipt of the financial reporting package from the auditor, but no later than 9 months after the end of the fiscal year as required by Section 10.657(2), Rules of the Auditor General? <b>NOTE</b> : There is no provision in law authorizing an extension for filing the financial reporting package.
<u> </u>	Is the electronic copy named using all lower-case letters as follows? [fiscal year] [name of entity].pdf. For example, the converted document for the 2019-20 fiscal year for "Example Nonprofit" entity should be named 2020 example nonprofit.pdf.
Required only	for State single audits as defined by Section 215.97(2)(x), Florida Statutes:
<u> </u>	The financial statements described in Section 10.655 (2) or (3), Rules of the Auditor General, as applicable, together with related notes to the financial statements (see Section 10.656(3)(f), Rules of the Auditor General)?
X	Required supplementary information (RSI) such as the management's discussion and analysis, or the budgetary comparison schedule required as RSI if not presented as part of the financial statements (see Sections 10.655(3) and Section 10.656(3)(f), Rules of the Auditor General)? <b>NOTE</b> : This applies only to nonprofit organizations that are determined to be governmental entities.
X	The auditor's report on the financial statements (see Section 10.656(3)(b), Rules of the Auditor General)?
X	The auditor's report on compliance and internal control based on an audit of the financial statements (see Section 10.656(3)(b), Rules of the Auditor General)?
X	If applicable, any other auditor's reports, related financial information, and auditee-prepared documents required pursuant to Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance), or other applicable Federal law (see Section 10.656(3)(c), Rules of the Auditor General)?

This checklist should accompany the financial reporting package. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General Local Government Audits/342 Claude Pepper Building, Room 401 111 West Madison Street Tallahassee, FL 32399-1450

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#### **INDEPENDENT AUDITORS' REPORT**

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

#### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of CareerSource Florida, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise CareerSource Florida, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Florida, Inc., as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Change in Accounting Principle

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

#### Report on Summarized Comparative Information

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

Board of Directors CareerSource Florida, Inc. Page 2

#### Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether
  due to fraud or error, and design and perform audit procedures responsive to those risks.
   Such procedures include examining, on a test basis, evidence regarding the amounts and
  disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

Board of Directors CareerSource Florida, Inc. Page 3

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

Board of Directors CareerSource Florida, Inc. Page 4

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, on our consideration of CareerSource Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Florida, Inc.'s internal control over financial reporting and compliance.

CARR, RIGGS & INGRAM, LLC

Cam Rigge & Ingram, L.L.C.

Tallahassee, FL September 29, 2022



This discussion and analysis of CareerSource Florida, Inc.'s financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2022. This analysis should be read in conjunction with the independent auditors' report (pages 1-3) and the basic financial statements, which begin on page 11.

#### **Financial Highlights**

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

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

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

#### **Overview of Financial Statements**

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

#### **Government-wide Financial Statements**

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

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

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

#### **Fund Financial Statements**

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

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

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 17-29 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards and State Financial Assistance, which can be found on page 35. This schedule lists all Federal and State grants awarded to CareerSource Florida, Inc. and the related expenditures for the fiscal year ended June 30, 2022.

#### **Government-wide Financial Analysis**

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

The following schedule is a summary of the fiscal year 2022 Statement of Net Position, which can be found on page 11 of this report with comparative information for the fiscal years 2021 and 2020.

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

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

As noted earlier, changes in net position may serve over time as a useful indicator of an organization's financial position. For the year ended June 30, 2022, CareerSource Florida, Inc.'s net position is \$1,013,953, which is a decline of \$106,039 in net position for the year. This decrease in net position represented a decrease of approximately 9.47% from the \$1,119,992 net position in 2021, and is the result of a decrease in capital and lease assets due to depreciation and amortization in 2022, net of the increase in unrestricted funds. For the year ended June 30, 2021, CareerSource Florida, Inc.'s net position was \$1,119,992, which is a decline of \$59,945 in net position for the year. This decrease in net position represented a decrease of approximately 5.08% from the \$1,179,937 net position in 2020, and was the result of a decrease in capital and lease assets due to depreciation and amortization in 2021, net of the increase in unrestricted funds. The majority of CareerSource Florida, Inc.'s net position is unrestricted and can be used for operations and program related expenses.

The following chart is a summary of the information presented in the 2022 Statement of Activities found on page 12 of this report, with comparative information in 2021 and 2020.

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

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

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

- Operating grant revenues decreased by \$6,629,125, or 32.91%, in 2022. This resulted from a decrease in the amount of requested reimbursements in the Quick Response Training grant program in the current year. Operating grant revenues increased by \$3,848,060, or 23.62%, in 2021. This resulted from an increase in the amount of requested reimbursements in the Quick Response Training grant program in the year.
- Incumbent Worker Training (IWT) grant reimbursements increased by \$128,302, or 5.85%, in 2022, and decreased by \$852,419, or 28.00%, in 2021. IWT expenses are incurred on a reimbursement-request basis and are subject to timing variances. For the year ended June 30, 2022, CareerSource Florida, Inc. received and processed more requested reimbursements, and for the year ended June 30, 2021, CareerSource Florida, Inc. received and processed fewer requested reimbursements.
- Quick Response Training (QRT) grant assistance decreased by \$6,116,770, or 60.75%, in 2022, and increased by \$4,878,205, or 93.99%, in 2021. QRT expenses are incurred on a reimbursement-request basis and are subject to timing variances; thus, these changes are a result of timing variances pertaining to award issuance and subsequent reimbursement requested. For the year ended June 30, 2022, CareerSource Florida, Inc. received and processed fewer requested reimbursements, and for the year ended June 30, 2021, CareerSource Florida, Inc. received and processed more requested reimbursements.

Other Program Costs decreased by \$569,584, or 7.17%, in 2022. This decrease is mostly in subscriptions and publications expense due to the discontinued use of Premier Virtual and EMSI services, and discontinued use of Gartner for IT consulting. Other Program Costs decreased by \$308,088, or 3.73%, in 2021. This decrease was due mostly to the net decrease in program costs for public outreach services facilitating public awareness of the workforce system services, resources and full-service public relationships, CTE audit licenses for State team and CareerSource Florida team, other licensing for statewide use and operation of Salesforce platform.

#### **Fund Financial Analysis**

As noted earlier, CareerSource Florida, Inc. also presents fund financial statements to provide information on near-term inflows, outflows, and balances of spendable resources. CareerSource Florida, Inc. has one governmental fund (the General Fund). The financial operations of the General Fund are included in the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 15 of this report.

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

- At June 30, 2022, total assets were \$10,161,585, of which cash accounted for 62.23% of the total balance. At June 30, 2021, total assets were \$9,784,138, of which cash accounted for 68.32% of the total balance.
- Cash decreased a total of \$361,375 in 2022 for a balance of \$6,323,543 at June 30, 2022. This was the result of a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year, net of QRT program funds received during the year exceeding disbursements. Cash decreased a total of \$4,447,361 in 2021 for a balance of \$6,684,918 at June 30, 2021. This was the result of a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year and QRT program disbursements exceeding funds received.
- Total general fund liabilities at June 30, 2022 were \$8,907,854, of which unearned revenues accounted for approximately 71.62% of the total. The decrease in the unearned revenue balance resulted from a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year, net of QRT program funds received during the year exceeding disbursements. Total general fund liabilities at June 30, 2021 were \$8,533,196, of which unearned revenues accounted for approximately 76.73% of the total. The decrease in the unearned revenue balance resulted from a remittance of unspent state level general revenue QRT funds back to the State of Florida during the year and QRT program disbursements exceeding funds received.
- Total General Fund revenues were \$13,537,394 for the period ended June 30, 2022, a decrease of \$6,604,146 or 32.79%. This increase was driven by less dollars being requested for reimbursement by QRT grantees. Total General Fund revenues were \$20,141,540 for the period ending June 30, 2021, an increase of \$3,838,738, or 23.55%. This increase was driven by more dollars being requested for reimbursement by QRT grantees.
- Total expenditures decreased by \$6,623,717 in 2022, or 32.86%. This was primarily the result of decreased spending of the QRT grant. Total expenditures increased by \$3,846,721 in 2021, or 23.58%. This was primarily the result of increased spending of the QRT grant.

#### **Capital Asset Administration**

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

#### **Economic Factors**

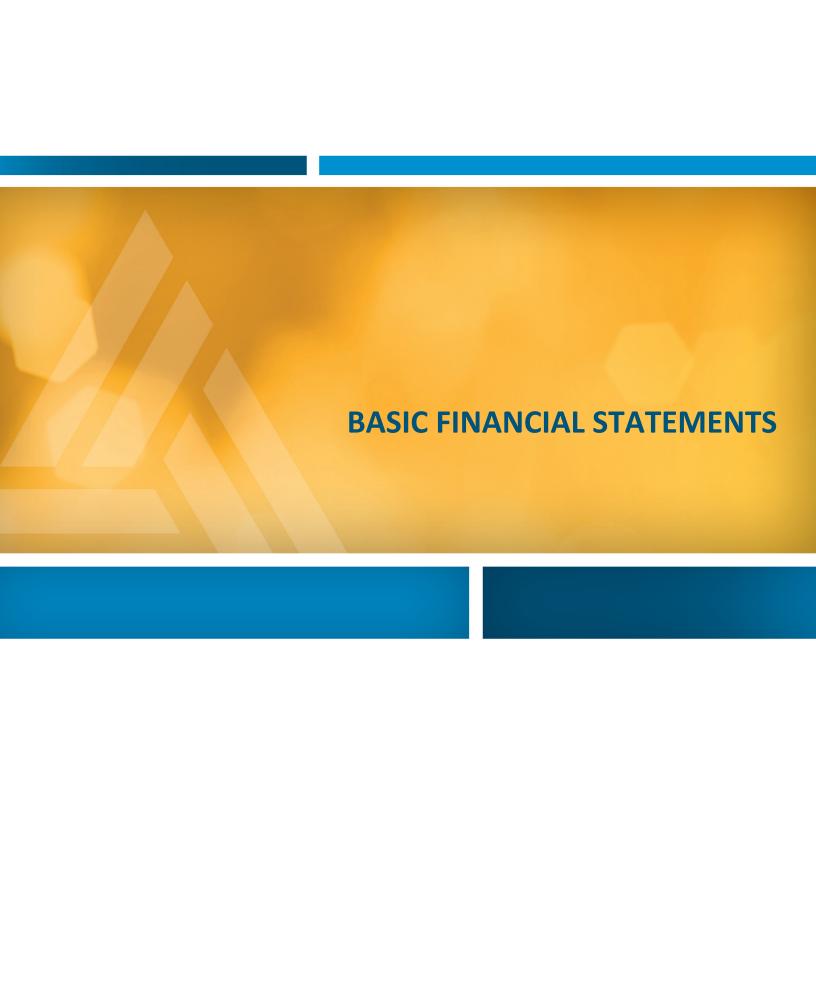
In accordance with the Workforce Innovation and Opportunity Act of 2014, CareerSource Florida, Inc. operates throughout the state as the primary workforce policy organization on behalf of the State of Florida. CareerSource Florida, Inc. accomplishes this by linking workforce and economic development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

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

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

#### **Request for Information**

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



## CareerSource Florida, Inc. Statements of Net Position

		(As restated)			
June 30,	2022	)	2021		
Assets					
Current assets					
Cash and cash equivalents	\$ 6,323,543				
Grants and contracts receivable	3,741,089	)	2,935,203		
Prepaid expenses	96,453	}	163,517		
Total current assets	10,161,085	•	9,783,638		
Noncurrent assets					
Capital assets, net	127,697	,	224,803		
Lease asset, net	984,923		1,166,662		
Other assets	500		500		
Total noncurrent assets	1,113,120		1,391,965		
Total assets	\$ 11,274,205	\$	11,175,603		
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 2,528,150	\$	1,985,369		
Unearned revenue	6,379,704		6,547,827		
Total current liabilities	8,907,854		8,533,196		
Long-term liabilities					
Compensated absences	200,535	:	202,511		
Lease payable	1,151,863		1,319,904		
Total long-term liabilities	1,352,398		1,522,415		
Tabel Balance	40.200.253		40.055.644		
Total liabilities	10,260,252	-	10,055,611		
Net Position					
Net investment in capital assets		•	71,561		
Unrestricted	1,013,953	}	1,048,431		
Total net position	1,013,953	}	1,119,992		
Total liabilities and net position	\$ 11,274,205	\$	11,175,603		

## CareerSource Florida, Inc. Statements of Activities

								(/	As restated)
								S	ummarized
For the years ended June 30,							2022		2021
						ľ	Net (Expense	) Re	venue and
		P	rog	gram Revenu			Changes in	Net	Position
				Operating	<b>Capital Grants</b>				
		Charges for		<b>Grants and</b>	and				
Functions/Programs	Expenses	Services	С	ontributions	Contributions	_	Governmen	tal	Activities
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)		(59,989)
Total governmental activities	13,643,433	-		13,512,371	-		(131,062)		(59,989)
General Revenues									
Miscellaneous							25,023		44
Total general revenues							25,023		44
Change in net position							(106,039)		(59,945)
Net position at beginning of year							1,119,992		1,179,937
Net position at end of year						\$	1,013,953	\$	1,119,992

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

June 30,		2022		2021
Assets				
Current assets	\$	C 222 F42	۲	C CO4 010
Cash and cash equivalents	<b>\$</b>	6,323,543	\$	6,684,918
Grants and contracts receivable		3,741,089		2,935,203
Prepaid expenses		96,953		164,017
Total current assets		10,161,585		9,784,138
Total assets	\$	10,161,585	\$	9,784,138
Liabilities and Fund Balance				
Current liabilities				
Accounts payable and accrued liabilities	\$	2,528,150	\$	1,985,369
Unearned revenue		6,379,704		6,547,827
Total current liabilities		8,907,854		8,533,196
Fund balance				
Nonspendable - prepaid expenses		96,953		164,017
Unassigned		1,156,778		1,086,925
Fund balance		1,253,731		1,250,942
Total liabilities and fund balance	\$	10,161,585	\$	9,784,138

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

June 30,	2022	(	As restated) 2021
Total fund balance of governmental fund	\$ 1,253,731	\$	1,250,942
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 Lease payable	(200,535) (1,151,863)		(202,511) (1,319,904)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	127,697		224,803
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	984,923		1,166,662
Net position of governmental activities	\$ 1,013,953	\$	1,119,992

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

For the years ended June 30,		2022		2021
Paragraph				
Revenues	*	42 542 274	,	20 4 44 406
Intergovernmental revenue	\$	13,512,371	\$	20,141,496
Miscellaneous		25,023		44
Total revenues		13,537,394		20,141,540
Expenditures				
Grants and aids		6,272,075		12,260,543
Other program costs		3,223,999		3,154,941
Salaries and benefits		3,121,153		3,299,772
Administration contracts		335,950		324,486
		•		•
Occupancy Dues and subserintians		220,905		215,484
Dues and subscriptions		159,515		620,869
Travel		57,295		15,395
Office expenses		51,350		48,818
Professional fees and consultants		33,134		90,997
Board meetings and travel		24,803		21,466
Telephone and communications		19,889		45,254
Insurance		13,942		13,457
Training and registrations		595		18,644
Capital outlay		-		28,196
Total expenditures		13,534,605		20,158,322
Net change in fund balance		2,789		(16,782)
Fund balance at beginning of year		1,250,942		1,267,724
Fund balance at end of year	\$	1,253,731	\$	1,250,942

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

June 30,	2022	(As restated) 2021
Net change in fund balance - total governmental fund	\$ <b>2,789</b> \$	(16,782)
Amounts reported for governmental activities in the statements of activities are different because:		
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:		
Change in compensated absences Change in lease payable	1,976 168,041	49,894 155,763
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:		
Capital outlay	-	28,196
Depreciation and amortization expense on capital assets	(95,386)	(95,162)
Amortization expense on lease asset	(181,739)	(181,739)
Loss on disposal of capital assets	(1,720)	(115)
Change in net position of governmental activities	\$ <b>(106,039)</b> \$	(59,945)

#### **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*.

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

#### **Fund Financial Statements**

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

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

#### **Budgetary Information**

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

#### **Use of Estimates**

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

#### Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

#### Cash and Cash Equivalents

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

#### **Grants and Contracts Receivable**

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

#### **Capital Assets**

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

Leasehold improvements5 YearsOffice furniture7 YearsOffice equipment and computers5 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.

#### Revenue Recognition

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

#### Transferred Investment Income

As a condition of its grants and in compliance with the Uniform Circular 2 CFR 200.305 as adopted by CareerSource Florida, all interest above \$500 earned on funds advanced from the State of Florida is due and payable to the State of Florida. At June 30, 2022 and 2021, the applicable liability due to the State of Florida is included in accrued liabilities in the statements of net position.

#### Categories and Classification of Fund Equity

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

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

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

#### Categories and Classification of Fund Equity (Continued)

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

- Nonspendable fund balance Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. As of June 30, 2022 and 2021 there are no amounts that are classified as restricted fund balance.
- Committed fund balance The committed fund balance classification includes amounts that
  can be used only for the specific purposes determined by a formal action of the
  Organization's highest level of decision-making authority. The Board of Directors is the
  highest level of decision-making authority for the Organization that can, by adoption of a
  board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the
  limitation imposed by the board resolution remains in place until a similar action is taken
  (the adoption of another board resolution) to remove or revise the limitation. As of June 30,
  2022 and 2021 there are no amounts that are classified as committed fund balance.
- Assigned fund balance The assigned fund balance consists of amounts that are constrained by a less-than-formal action of the Organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. As of June 30, 2022 and 2021 there are no amounts that are classified as assigned fund balance.
- Unassigned fund balance Unassigned fund balance is the residual classification for the General Fund.

#### **Income Taxes**

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

#### *Income Taxes (Continued)*

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

#### Functional Allocation of Expenses

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

#### Reclassifications

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

#### **Subsequent Events**

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

#### **Recent Accounting Guidance**

#### GASB Statement No. 87

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

#### Recent Accounting Guidance (Continued)

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

	As	previously				
June 30, 2021		reported		Adjustment		As restated
Noncurrent assets						
Lease asset, net	\$	_	\$	1,166,662 \$		1,166,662
Long-term liabilities	Ψ		~	1,100,002 φ		1,100,002
Lease payable	\$	-	\$	1,319,904 \$	,	1,319,904
Net position						
Net investment in capital assets	\$	224,803	\$	(153,242)	5	71,561

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

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

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

#### GASB Statement No. 96

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

#### **Note 2: CASH AND CASH EQUIVALENTS**

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Organization's deposits may not be returned or the Organization will not be able to recover collateral securities in the possession of an outside party. At June 30, 2022 and 2021, the carrying amount of CareerSource Florida, Inc.'s deposits was \$6,323,543 and \$6,684,918, respectively, and the bank balance of CareerSource Florida, Inc.'s deposits was \$6,492,241 and \$6,812,337, respectively. The bank balance is insured up to Federal Deposit Insurance Corporation (FDIC) limits or by collateral held by CareerSource Florida's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the *Florida Security for Deposits Act*, Chapter 280, Florida Statutes.

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

**Note 3: CAPITAL ASSETS, NET** 

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

	Jul	ly 1, 2021	Increases	Decreases	Jun	e 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

#### Note 3: CAPITAL ASSETS, NET (Continued)

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

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

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

#### **Note 4: LEASES**

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

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

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

#### **Note 4: LEASES (Continued)**

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

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

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

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

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

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

Loggo payable \$ 1.475.667 \$ \$ (155.762) \$ 1.3		July 1, 2020	Increases	Decreases	June 30, 2021
Lease payable \$ 1,475,007 \$ - \$ (155,765) \$ 1,5	Lease payable	\$ 1,475,667 \$	-	\$ (155,763)	\$ 1,319,904

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

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

#### Note 4: LEASES (Continued)

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

#### **Note 5: COMPENSATED ABSENCES**

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

	Ju	ly 1, 2021	Increases	D	ecreases June	30, 2022
					_	
Compensated absences	\$	202,511	\$ -	\$	(1,976) \$	200,535

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

	Ju	ly 1, 2020	Increases	0	ecreases Jur	ne 30, 2021
Compensated absences	\$	252,405	\$ -	\$	(49,894) \$	202,511

#### **Note 6: RETIREMENT PLAN**

CareerSource Florida participated in a defined contribution (traditional 401k) retirement plan (the Plan) through December 31, 2019. The Plan was amended to a Safe Harbor 401k Plan effective January 1, 2020. The Plan covers all eligible employees of CareerSource Florida. Employer contributions are determined at the discretion of a fiduciary committee of CareerSource Florida and in accordance with the Internal Revenue Code. The Organization contributed a total of \$306,979 and \$345,980 to the Plan during the years ended June 30, 2022 and 2021, respectively. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. Employees contributed \$172,646 and \$178,435 to the Plan during the years ended June 30, 2022 and 2021, respectively. Employees are immediately vested in their own contributions and earnings on those contributions. Employees become 100% vested in employer defined contributions after completing three years of service. For each of the years ended June 30, 2022 and 2021, plan forfeitures included in contribution expense totaled \$11,434 and \$13,002, respectively. Employer and employee contributions owed to the Plan as of June 30, 2022 and 2021 totaled \$14,977 and \$14,263, respectively. There were no expenses for the Plan paid for by CareerSource Florida during the years ended June 30, 2022 and 2021.

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

See Note 4 for information on leases.

### Significant Funding Source

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

### **Risk Management**

CareerSource Florida is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CareerSource Florida, Inc. has obtained insurance from commercial underwriters for the aforementioned risks, including workers' compensation for the years ended June 30, 2022 and 2021.

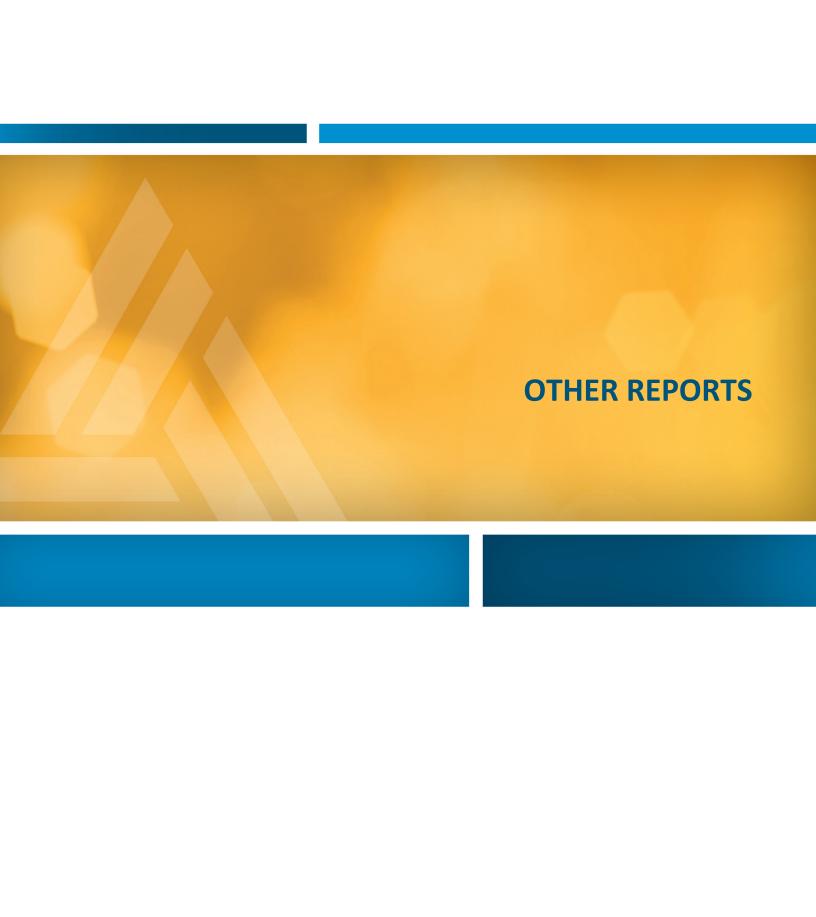
CareerSource Florida has not paid any settlements in excess of insurance coverage for each of the past three years. Furthermore, CareerSource Florida had no significant reduction in insurance coverage from the prior year.

### Grants

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

### **Note 8: RELATED PARTY TRANSACTIONS**

Receivables of \$3,741,089 and \$2,935,141 were due from the State of Florida, Department of Economic Opportunity, at June 30, 2022 and 2021, respectively, and are included in grants and contracts receivable in the statements of net position and in the balance sheets of the governmental fund type – general fund. Federal and State program revenue received through the State of Florida, Department of Economic Opportunity, for the years ended June 30, 2022 and 2021 was \$13,512,371 and \$20,141,496, respectively.





Carr, Riggs & Ingram, LLC 2633 Centennial Boulevard Suite 200 Tallahassee, Florida 32308

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

Board of Directors CareerSource Florida, Inc. Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of CareerSource Florida, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise CareerSource Florida, Inc.'s basic financial statements, and have issued our report thereon dated September 29, 2022.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CareerSource Florida, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Florida, Inc.'s internal control.

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

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

CareerSource Florida, Inc. Page 2

### **Report on Compliance and Other Matters**

Can, Rigge & Ingram, L.L.C.

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

### **Purpose of this Report**

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

Tallahassee, Florida

September 29, 2022



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

Board of Directors CareerSource Florida, Inc. Tallahassee, Florida

### Report on Compliance for Each Major Federal Program and State Project

### Opinion on Each Major Federal Program

We have audited CareerSource Florida, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of CareerSource Florida, Inc.'s major federal programs and major state projects for the year ended June 30, 2022. CareerSource Florida, Inc.'s major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, CareerSource Florida, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended June 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General); and the special audit guidance provided by the Florida Department of Economic Opportunity (special DEO guidance). Our responsibilities under those standards, the Uniform Guidance, the Rules of the Auditor General, and the special DEO guidance, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

CareerSource Florida, Inc. Page 2

### Responsibilities of Management for Compliance

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

### Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

CareerSource Florida, Inc. Page 3

### **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.

Caux Rigge & Ingram, L.L.C.
Tallahassee, Florida

September 29, 2022



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

Grantor/Pass Through Grantor/	Assistance Listing/CSFA	Contract/		Funds Provided
Title	Number	<b>Grant Number</b>	Expenditures	to Subrecipients
FEDERAL				
U.S. Department of Labor				
Passed through Florida Department of Economic Opportunity:				
Employment Services Cluster				
Wagner - Peyser Funded Activities	17.207	BCS02, BCS03	\$ 1,689,161	Ş -
Workforce Investment and Opportunity Act (WIOA) Cluster				
WIA/WIOA Adult Program	17.258	BCS02, BCS03	1,481,475	-
WIA/WIOA Youth Activities	17.259	BCS02, BCS03	1,473,028	-
WIA/WIOA Disclocated Worker Formula Grants	17.278	BCS02, BCS03	2,919,232	-
Total Workforce Investment and Opportunity Act (WIOA) Cluster			5,873,735	-
Total U.S. Department of Labor			7,562,896	-
II.S. Danashmant of Assisulture				
U.S. Department of Agriculture  Passed through Florida Department of Economic Opportunity:				
SNAP Cluster				
Food Stamp Employment and Training	10.561	BCS02, BCS03	1,112	_
Total U.S. Department of Agriculture	10.301	DC302, DC303	1,112	
U.S. Department of Health and Human Services  Passed through Florida Department of Economic Opportunity:  Temporary Assistance for Needy Families  Total U.S. Department of Health and Human Services	93.558	BCS02, BCS03	613,122 613,122	<u>-</u>
U.S. Department of Education				
Passed through Florida Department of Economic Opportunity:  Adult Education - Basic Grants to States	84.002A	BCS02, BCS03	449,938	
Addit Education - basic diants to states	04.002A	BC302, BC303	449,936	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	BCS02, BCS03	449,938	-
Total U.S. Department of Education			899,876	-
Total expenditures of federal awards			\$ 9,077,006	\$ -
STATE				
Florida Department of Economic Opportunity				
Quick Response Training	40.026	BCS02, BCS03	\$ 3,951,480	\$ -
CareerSource Florida Operations	40.036	BCS02, BCS03	484,182	-
Total Florida Department of Economic Opportunity			4,435,662	-
Total expenditures of state financial assistance			\$ 4,435,662	-
Total expenditures of federal awards and state financial assistance			\$ 13,512,668	

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

### **Note 1: BASIS PRESENTATION**

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

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

### **Note 2: BASIS OF ACCOUNTING**

The Schedule was prepared on the accrual basis of accounting.

### **Note 3: CONTINGENCIES**

Grant monies received and disbursed by the Organization are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization. As of June 30, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

### **Note 4: NONCASH ASSISTANCE**

The Organization did not receive any federal or state noncash assistance for the year ended June 30, 2022.

### **Note 5: INDIRECT COST**

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

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

### **Note 6: FEDERALLY FUNDED INSURANCE**

The Organization did not receive federally funded insurance during the fiscal year ended June 30, 2022.

### **Note 7: FEDERALLY FUNDED LOANS**

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

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

### **SECTION I – SUMMARY OF AUDITORS' RESULTS**

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
Federa	al 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:	
	Assistance Listing Number Federal Program 17.258, 17.259, 17.278 WIOA Cluster	
5.	Dollar threshold used to distinguish between type A and type B programs:	\$750,000
6.	Auditee qualified as low-risk auditee under 2 CFR 200.520?	Yes
State F	Financial Assistance:	
1.	Type of auditors' report issued on compliance for major projects	Unmodified

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

### SECTION I – SUMMARY OF AUDITORS' RESULTS (Continued)

2.	Internal	control	over	maior	nro	iects:
۷.	IIILEIIIai	COLLUD	OVE	major	PIU	iccis.

a. Material weaknesses identified?

No

b. Significant deficiencies identified not considered to be material weaknesses? None noted

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General* or the special audit guidance provided by the Florida Department of Economic Opportunity?

No

4. Identification of major projects:

CSFA Number State Project
40.026 Quick Response Training

5. Dollar threshold used to distinguish between type A and type B projects:

\$750,000

### SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

### SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

None noted

### SECTION IV - SUMMARY OF PRIOR YEAR FINDINGS

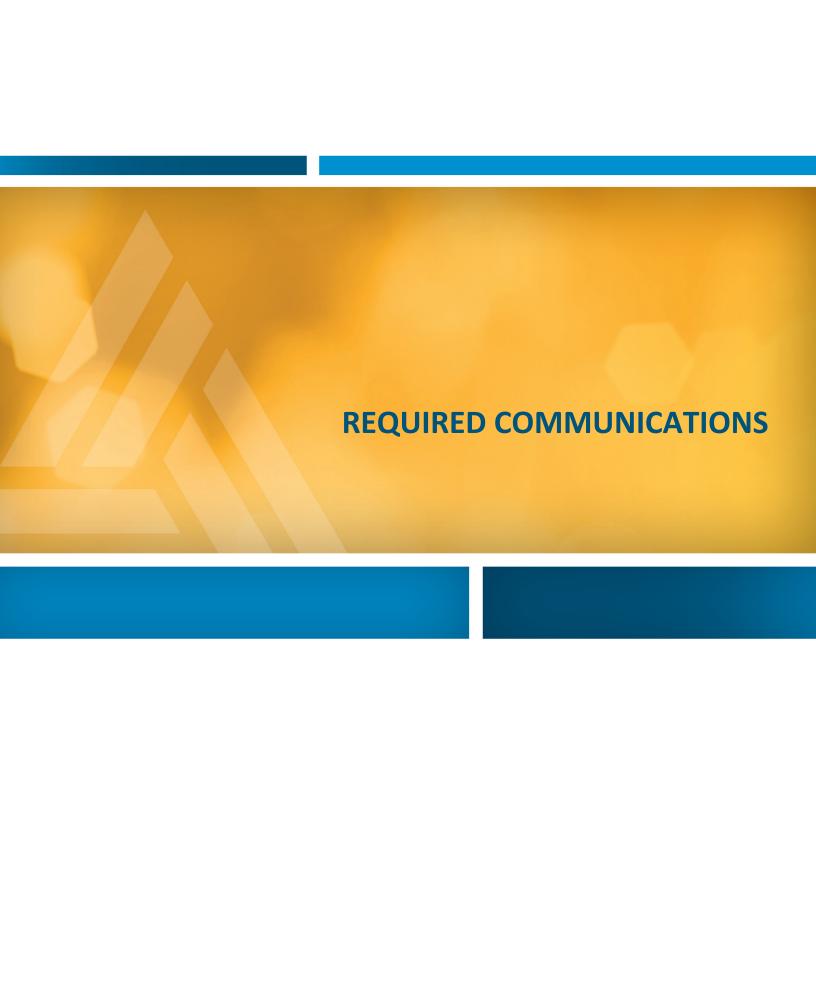
None noted

### **SECTION V – OTHER MATTERS**

- (a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).
- (b) CareerSource Florida, Inc. performed a reconciliation of its financial records to the Subrecipient Enterprise Resource Application (SERA) maintained by the Florida Department of Economic Opportunity in a satisfactory matter for the year ended June 30, 2022.
- (c) The Florida Department of Economic Opportunity's 2020-21 Financial Compliance Monitoring Report issued on October 15, 2021 covering the period from April 1, 2020 to March 31, 2021 resulted in no findings, issues of non-compliance, observations, or items of technical assistance provided.

CareerSource Florida, Inc. **Required Recommendations and Internal Control Recommendations** June 30, 2022

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REQUIRED COMMUNICATIONS Required Communications	1
Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality	6
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INTERNAL CONTROL RECOMMENDATIONS Internal Controls	15



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, 2022.
- 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
- Other audit-related projects as they arise and upon request.

We have audited the financial statements of CareerSource Florida for the year ended June 30, 2022, and have issued our report thereon dated September 29, 2022. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
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).	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.  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.  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.
Client's responsibility	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.
	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
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates  The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Potential effect on the financial statements of any	No such risks or exposures were noted.
significant risks and exposures	The sacrification of exposures were noted.
Major risks and exposures facing the Organization	
and how they are disclosed.	
Significant accounting policies, including critical accounting policies and alternative treatments	The significant accounting policies used by the Organization are described in Note 1 to the financial
within generally accepted accounting principles	statements.
and the auditors' judgment about the quality of	
accounting principles	Effective July 1, 2021, the Organization adopted GASB
<ul> <li>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</li> </ul>	Statement No. 87, Leases (GASB 87) using the full retrospective approach. Upon adoption, the Organization recognized a right-of-use asset and related lease payable.
areas for which there is a lack of authoritative guidance or consensus.  • 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;	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.  Further, the disclosures in the Organization's financial statements are neutral, consistent, and clear.
• 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.	

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Significant difficulties encountered in the audit Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management 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.	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues  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.	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management  Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.	None noted.
Corrected and uncorrected misstatements  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.	See "Summary of Audit Adjustments" section.
Major issues discussed with management prior to retention  Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
Consultations with other accountants  When management has consulted with other accountants about significant accounting or auditing matters.	To our knowledge, there were no such consultations with other accountants.
Written representations  A description of the written representations the auditor requested (or a copy of the representation letter).	See "Management Representation Letter" section.
Internal control deficiencies  Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.	See "Internal Controls" section.
Fraud and illegal acts  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.	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements  The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:  • Such information is materially inconsistent with the financial statements; and  • We believe such information represents a material misstatement of fact.  We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.	No significant unusual accounting transactions were noted during the year.

## 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 Network 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.



Stephanie Smith

Michelle Dennard President & CEO

September 29, 2022

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, 2022, and the respective changes in financial position for the year 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**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 28, 2022, 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) The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.
- 4) 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

7) Related party relationships and transactions, including revenues, expenditures/expenses.F.loans.7 transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to parties have been appropriately accounted for and disclosed in accordance with USE-CAAPefforda.com



- 8) 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.
- There is no known actual or possible litigation, claims, and assessments to be accounted for and disclosed in accordance with U.S. GAAP.
- There are no guarantees, whether written or oral, under which the Organization is contingently liable, required to be recorded or disclosed.

### Information Provided

- 11) 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.
  - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.
- 16) 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.
- 17) 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.
- 18) 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

- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) 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.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.



- 22) 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.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) 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.
- 25) 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.
- 26) 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.
- 27) As part of your audit, you assisted with preparation of the financial statements and 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 compensated absences in the government-wide financial statements, and for implementation of GASB 87. 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.
- 28) 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.
- 29) 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.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 32) All funds that meet the quantitative criteria in GASBS 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.
- 33) 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.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) 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.



- 36) 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.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 39) We have appropriately disclosed the Organization's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) With respect to the schedule of expenditures of federal awards and state financial assistance (SEFASFA).
  - 1) We acknowledge our responsibility for presenting the SEFASFA in accordance with accounting principles generally accepted in the United States of America, and we believe the SEFASFA. including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SEFASFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - 2) If the SEFASFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
- 43) With respect to federal award programs and state financial assistance projects:
  - 1) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Department of Financial Services' State Projects Compliance Supplement, 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), including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
  - We acknowledge our responsibility for preparing and presenting the SEFASFA and related disclosures in accordance with the requirements of the Uniform Guidance, Rules of the Auditor General, and special DEO guidance, and we believe the SEFASFA, including its form and content. is fairly presented in accordance with the Uniform Guidance, Rules of the Auditor General, and special DEO guidance. The methods of measurement or presentation of the SEFASFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFASFA.
  - 3) If the SEFASFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFASFA no later than the date we issue the SEFASFA and the auditors' report thereon.



- 4) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance, Rules of the Auditor General, and special DEO guidance compliance audit, and have included in the SEFASFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal awards and state 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.
- 5) 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.
- 6) 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.
- 7) 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 passthrough entities relevant to federal programs and state projects, and related activities.
- 8) 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.
- 9) 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.
- 10) We have disclosed any communications from federal and state awarding agencies and passthrough 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.
- 11) 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.
- 12) 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.
- 13) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- 14) 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.
- 15) 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.



- 16) 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.
- 17) 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.
- 18) 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.
- 19) 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 passthrough entity, as applicable.
- 20) We have charged costs to federal awards and state financial assistance in accordance with applicable cost principles.
- 21) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- 22) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 23) 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 ( 00 / C

Signatur

Title

# **INTERNAL CONTROL RECOMMENDATIONS**

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

In planning and performing our audit of the financial statements of CareerSource, Florida (the Organization) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's 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 opinion 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.

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.

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.

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.

Tallahassee, Florida

Can Rigge & Ingram, L.L.C.

September 29, 2022