

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A**

**CAREERSOURCE NORTH FLORIDA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
 CAREERSOURCE NORTH FLORIDA  
 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED  
 JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
North Florida Workforce Development Board, Inc. D/B/A  
CareerSource North Florida  
Madison, Florida

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### REPORT ON THE FINANCIAL STATEMENTS

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We have audited the accompanying financial statements of the governmental activities, and the major fund of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of the North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida, as of June 30, 2020, 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.

### ***Other Matters--Required Supplementary Information***

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

### ***Other Matters--Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards; as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; 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 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 is fairly stated in all material respects in relation to the financial statements as a whole.

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## ***OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

*Government Auditing Standards* in considering Organization's internal control over financial reporting and compliance.

*Powell & Jones*

**POWELL & JONES**  
Certified Public Accountants  
January 27, 2021

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

This discussion and analysis of the financial performance of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization) provide an overview of financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

The following are various financial highlights:

- Overall net position increased by \$14,683.
- Unrestricted net position at June 30, 2020 was \$153,610.
- The Organization incurred total expenses for the year of about \$2,194,981, compared to revenues of approximately \$2,209,664.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. These basic statements consist of government-wide financial statements, fund financial statements and notes to the financial statements.

**Government-Wide Financial Statements.** All of the activities of the Organization are considered to be governmental activities. The Organization has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

The government-wide financial statements provide both long-term and short-term information about the overall financial status of the Organization. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The first financial statement is the Statement of Net Position. This statement includes all of the assets and liabilities of the Organization:

- The government-wide financial statement includes long-term information such as capital assets and long-term liabilities, if any. The amounts in this statement are accounted for using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position, the difference between these assets and liabilities, is a useful way to measure the financial health of the Organization.

The second financial statement is the government-wide Statement of Activities. This statement includes all of the revenues and expenses of the Organization and reconciled beginning and ending net position.

- The government-wide Statement of Activities includes all of the current year revenues and expenses, regardless of when cash is received or paid. The amounts in this statement are accounted for using the accrual basis of accounting as discussed above. This statement also includes depreciation on all long lived assets of the Organization. Over time, the increases or decreases in net position are useful indicators of whether the financial health of the Organization is improving or deteriorating. However, other non-financial factors, such as changes in population and in federal funding, must also be considered when assessing the overall health of the Organization.

## Governmental Fund Financial Statements

The fund financial statements provide a picture of the major fund of the Organization. Outlays for long lived assets are reported as expenditures, and long-term liabilities are not included in the fund financial statements. To provide a link from the fund financial statements to the government-wide financial statements, a reconciliation is provided from the fund financial statements to the government-wide financial statements.

- The General Fund Balance Sheet focuses on current assets and liabilities of the fund. The amounts are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position.
- The General Fund Statement of Revenues, Expenditures and Changes in Fund Balance focuses on changes in the economic resources (revenues and expenditures), accounted for on the modified accrual basis of accounting.

## CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position:

	Net Position	
	2020 Governmental Activities	2019 Governmental Activities
Assets:		
Non-capital assets	\$ 409,461	\$ 752,245
Capital assets, net	213,419	253,742
Total assets	<u>622,880</u>	<u>1,005,987</u>
Liabilities:		
Current liabilities	192,449	600,926
Non-current liabilities	63,402	52,715
Total liabilities	<u>255,851</u>	<u>653,641</u>
Net position:		
Net investment in capital assets	213,419	253,742
Unrestricted	153,610	98,604
Total net position	<u>\$ 367,029</u>	<u>\$ 352,346</u>

## Change in Net Position

	<u>2020</u> <u>Governmental</u> <u>Activities</u>	<u>2019</u> <u>Governmental</u> <u>Activities</u>
General revenues:		
Federal grants	\$ 2,163,175	\$ 2,075,655
Other revenues	46,489	2,631
Total revenues	<u>2,209,664</u>	<u>2,078,286</u>
Program expenses:		
Administrative and program indirect	196,192	179,785
Training and support	1,998,789	1,936,538
Total expenses	<u>2,194,981</u>	<u>2,116,323</u>
Change in net position	14,683	(38,037)
Beginning net position	<u>352,346</u>	<u>390,383</u>
Ending net position	<u>\$ 367,029</u>	<u>\$ 352,346</u>

## OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Governmental Activities

The governmental activities generated \$2,163,175 in program revenues, \$46,489 of general revenues, and incurred \$2,194,981 of program expenses. This resulted in an increase in net position of \$14,683. This increase is comprised of a \$55,007 from operations and a decrease from depreciation expense of \$40,324.

### General Fund

The fund balance of the General Fund has increased by \$55,007 from \$98,603 to \$153,610. There are no restrictions, commitments or other limitations that significantly affect the availability of fund resources for future use.

## BUDGETARY HIGHLIGHTS

- **General Fund.** The original budget was based on funding projections and included all funding expected to be available. During the year, the budget is amended as funding commitments are received. Finally, the final budgets are reduced for estimates of amounts to be carried forward to subsequent years. During the year, the General Fund budgeted expenditures did not increase or decrease. Budgeted expenditures exceeded actual expenditures by \$70,583.



## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The Organization had no new purchases of capital assets during the current year. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Organization's capital assets activity.

### **Debt Administration**

The Organization's only long-term debt is its accrual for compensated absences. Please refer to a note in the accompanying financial statements entitled *Long-Term Liabilities* for more detailed information about long-term debt activity.

## **ECONOMIC FACTORS**

The Organization currently is not aware of any conditions that are expected to have a significant effect on the Organization's financial position or results of operations.

## **CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the finances of the Organization and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Diane Head, Executive Director, North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida , 705 East Base Street, Madison, FL 32340.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
 CAREERSOURCE NORTH FLORIDA  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 130,124
Grants and contracts receivable	276,563
Deposits	2,774
Total current assets	409,461
Capital assets, net	213,419
Total assets	622,880

**LIABILITIES**

Current liabilities	
Accounts payable and accrued expenses	72,240
Unearned revenue	120,209
Total current liabilities	192,449
Long-term liabilities	
Compensated absences	63,402
Total liabilities	255,851

**NET POSITION**

Unrestricted	153,610
Invested in capital assets	213,419
Total net position	\$ 367,029

**See notes to financial statements.**

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses		Program Revenue		Net (Expenses) Revenue and Changes in Net Position
Governmental activities:	Program	Indirect	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Economic environment					
Jobs training and placement	\$ 1,998,789	\$ 196,192	\$ 2,163,175	\$ -	\$ (31,806)
<b>Total governmental activities</b>	<b>\$ 1,998,789</b>	<b>\$ 196,192</b>	<b>\$ 2,163,175</b>	<b>\$ -</b>	<b>\$ (31,806)</b>
				General revenue:	
				Other	46,489
				Changes in net position	14,683
				Net position, beginning of year	352,346
				Net position, end of year	<b>\$ 367,029</b>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREER SOURCE NORTH FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2020**

**ASSETS**

Cash and cash equivalents	\$ 130,124
Grants and contracts receivable	213,161
Deposits	<u>2,774</u>
<b>Total assets</b>	<b><u><u>\$ 346,059</u></u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable and accrued expenses	\$ 72,240
Unearned revenue	<u>120,209</u>
<b>Total liabilities</b>	<b><u>192,449</u></b>

**Fund balance**

Nonspendable	2,774
Unassigned	<u>150,836</u>
<b>Total fund balance</b>	<b>153,610</b>

Amounts reported for governmental activities in the statement of net position are different because:

Grants receivable recorded for compensated absences	63,402
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	213,419
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds - compensated absences	<u>(63,402)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 367,029</u></u></b>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREER SOURCE NORTH FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

Revenues	
Grants	\$ 2,173,860
Other income	46,489
Total revenues	<u>2,220,349</u>
Expenditures	
Personnel	1,007,838
Contractual and professional services	216,684
Training, support and program	300,264
Travel, conferences and seminars	48,990
Facilities and maintenance	221,991
Supplies and printing	254,123
Other	115,452
Total expenditures	<u>2,165,342</u>
Excess of revenues over expenditures	55,007
Fund balance, beginning of year	98,603
Fund balance, end of year	<u><u>\$ 153,610</u></u>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREER SOURCE NORTH FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Amounts reported for governmental activities are different because:

Net change in fund balance - governmental fund	\$ 55,007
<p>The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation	(40,324)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in accrued compensated absences for the current period.</p>	
	(10,687)
Grant revenue adjusted for decrease in compensated absences	<u>10,687</u>
Change in net position of governmental activities	<u><u>\$ 14,683</u></u>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization) was incorporated as a nonprofit Organization on April 15, 1999, under the provisions of the Florida Not-for-Profit Organization Act set forth in Chapter 617, *Florida Statutes*. The Organization exists as a result of the passage of Florida's Workforce Innovation Act of 2000 and the Inter-local Agreement establishing the North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida. The Organization has been determined to be a special district within the meaning of the Uniform Special District Accountability Act of the law of the State of Florida. The Organization is a special-purpose government.

The purpose of the Organization is to fulfill those duties and responsibilities provided for by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Balanced Budget Act of 1997, Florida's Workforce Innovation Act of 2000 and the federal Workforce Innovation and Opportunity Act (WIOA) which took effect on July 1, 2015. Consistent with the provisions of WIOA, the Organization provides help to job seekers in accessing employment, education, training, job placement and support services for the citizens of Madison, Jefferson, Hamilton, Lafayette, Suwannee and Taylor Counties, Florida.

The governing board of the Organization is the Board of Directors. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Organization, the primarily government unit, and its component units. There were no entities that required inclusion as a component unit within the Organization's financial statements.

**Basis of Presentation**

The basic financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB). The basic financial statements of the Organization are comprised of the following components: (a) Government-wide financial statements, (b) Fund financial statements, (c) Notes to financial statements and the (d) Required supplementary information.

**Basis of Accounting and Measurement Focus**

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 expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The Organization uses the following governmental fund type — the General Fund. This fund is the Organization's only operating fund. It is used to account for all revenues and expenditures applicable to the general operations of the Organization. The fund is charged with all costs of operations.

### **Budgets and Budgetary Process**

The Board of Directors adopts an annual operating budget, which can be amended by the Organization throughout the year. The budget is adopted using the same basis of accounting that is used to reflect actual revenues and expenditures.

### **Functional Allocation of Expenses**

The costs of providing the various program and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that are directly related to the Organization's specific purposes have been recorded as direct expense and included as program services. Certain costs which are directly shared have been allocated among programs and supporting services, based upon a percentage of direct costs or upon personnel activity reports. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the Florida Department of Economic Opportunity.

### **Fund Balance**

Governmental funds report separate classifications of fund balance.

**Nonspendable.** The non-spendable fund balance classification includes 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.** The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments, or (c) imposed by law through constitutional provisions or enabling legislation.

**Committed.** Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Organization's Board of Directors.

**Assigned.** Assigned fund balance is defined as amounts that are constrained by the intent of the Organization's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The Organization has given the authority to assign fund balance to the Executive Director. Assigned fund balance includes spendable fund balance amounts established by the Executive Director that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general



purpose of the government itself, and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Executive Director. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

**Unassigned.** Unassigned fund balance is the residual classification for the general fund.

It is the policy of the Organization that it will use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed, the Organization will then use unassigned resources. The Organization does not have a formal policy requiring a minimum fund balance.

### **Accounting Estimates**

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

### **Accounts Receivable**

The Organization's accounts, grants and contracts receivable consist mainly of amounts receivable from governments and governmental agencies for grants and appropriations. The Organization considers its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded. The Organization does not charge interest on outstanding accounts receivable.

### **Property and Equipment**

Property and equipment acquired is recorded as an expenditure in governmental funds and is stated at cost. Property and equipment are defined by the Organization as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Depreciation has been recorded using the straight-line method over estimated useful lives of 3 to 12 years.

### **Pension Plan**

The provision for pension cost is recorded on an annual basis. The Organization's policy is to fund pension costs as they accrue, on a quarterly basis. The pension plan is more fully described in Note 5.

### **Cash**

The Organization pools cash resources of its various programs to facilitate the management of cash. Cash applicable to a particular program is readily identifiable. The balance in the pooled cash account is held at a bank that is a member of the State of Florida pool for pledging

securities against fund deposits, and is available to meet current operating requirements. As a result, the Organization has no need for a policy regarding deposit custodial credit risk.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as “non-spendable” in the fund financial statements to indicate that prepaids do not represent available expendable resources.

**Vacation, Sick Leave, and Other Compensated Absences**

The Organization’s employees are entitled to certain compensated absences based on length of employment and other factors. With minor exceptions, compensated absences vest and are accrued when they are earned. Compensated absences are accrued at June 30, 2020, in the amount of \$63,402.

**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

Cash, Accounts Receivable and Accounts payable – Carrying amount approximates fair value due to the short maturity of these financial instruments.

**Post-Employment Healthcare Benefits**

The Organization does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage, and no direct costs are incurred by the Organization. Accordingly, there is no OPEB obligation recorded in the financial statements.

**NOTE 2. GOVERNMENT-WIDE VS. FUND FINANCIAL STATEMENTS**

**Governmental Fund Balance Sheet to Statement of Net Position.** Amounts reported for governmental activities in the Statement of Net Position are different because:

**Capital assets.** Capital assets used in governmental activities are not reported in the governmental funds.

Cost of capital assets	\$ 578,296
Accumulated depreciation	(364,879)
	<u>\$ 213,417</u>

**Long-term liabilities.** Long-term liabilities, and their corresponding receivables, are not reported in the governmental funds.

Compensated absences	<u>\$ 63,402</u>
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**Governmental Fund Revenues, Expenditures and Changes in Fund Balance to Statement of Activities.** Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation expense	<u>\$ (40,324)</u>
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An expenditure for compensated absences, and the corresponding revenue, is not reported in governmental funds.

Compensated absences	<u>\$ (10,687)</u>
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**NOTE 3. CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Depreciable assets:				
Property and equipment	\$ 578,296	\$ -	\$ -	\$ 578,296
Accumulated depreciation	<u>(324,553)</u>	<u>(40,324)</u>	-	<u>(364,877)</u>
Property and equipment, net	<u>\$ 253,743</u>	<u>\$ (40,324)</u>	<u>\$ -</u>	<u>\$ 213,419</u>

**NOTE 4. LONG-TERM LIABILITIES**

Long-term liabilities consist of compensated absences as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Compensated absences	<u>\$ 52,715</u>	<u>\$ 10,687</u>	<u>\$ -</u>	<u>\$ 63,402</u>

## NOTE 5. PENSION PLAN

The Organization authorized and established a defined contribution benefit plan as governed by Section 403(b) of the Internal Revenue Code. All employees 18 years or older are eligible to participate. Employees may contribute to the plan by entering into a salary reduction agreement with the Organization. The Organization currently matches employee contributions up to 5% of employee compensation, and, at its sole discretion, may change the amount of employer contributions to be made to the plan for each plan year. The Organization's contributions to the plan vest to the employees over time to full vestment at the end of four years of employment. Employer and employee contributions to the plan were \$66,195 for the year ended June 30, 2020.

## NOTE 6. OBLIGATION UNDER OPERATING LEASES

The Organization leases office space under contracts accounted for as operating leases. Total lease payments made during the period June 30, 2020, were \$109,134. Minimum future lease payments under these operating leases are as follows:

<u>Years Ending June 30</u>	
2021	\$ 106,919
2022	81,718
2023	74,918
2024	43,702
Total	<u><u>\$ 307,257</u></u>

## NOTE 7. RECONCILIATION OF FINANCIAL RECORDS TO DEO'S SERA SYSTEM

Reconciliation of the Organization's financial records to the expenditures reported in the Subrecipient Enterprise Resource Application (SERA) are required to be completed monthly by the Organization for all awards from the Department of Economic Opportunity (DEO). These reconciliations were completed as required, and the Organization's financial records agree to the reported expenditures in SERA for the year ended June 30, 2020.

## NOTE 8. COMMITMENTS, CONTINGENCIES, AND CLAIMS

The Organization receives substantially all of its support through federal and state funding. A significant reduction in the level of this support, if this were to occur, would have an effect on the Organization's programs and activities.

Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Board and Management deem the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants.

**NOTE 9. RISK MANAGEMENT**

The Organization is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the Organization has purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in the current and previous two years.

**NOTE 10. RELATED PARTY BALANCES AND TRANSACTIONS**

The Organization partners with educational institutions, public organizations and private organizations, through contractual agreements, to provide job training and employment opportunities for program participants; consistent with the mission of the Board. Certain members of the Board of Directors hold key positions at companies and institutions which provide these services to participants in various Organization programs. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of individual participants.

Payments made for these services were as follows for the year ended June 30, 2020:

<u>Description</u>	<u>Amount Paid</u>	<u>Accounts Payable</u>
Training services	\$ 89,751	\$ -

**NOTE 11. FAIR VALUE MEASUREMENTS**

At June 30, 2020, the Organization had no assets or liabilities subject to disclosure of fair value measurements as to valuation levels hierarchy per Financial Accounting Standards Board Statement No. 157.

**NOTE 12. INCOME TAXES**

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a nonprofit Organization. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2020, 2019 and 2018 are subject to review and adjustment by the Internal Revenue Service. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2020. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions.

**NOTE 13. SUBSEQUENT EVENTS**

Management has evaluated subsequent events from the statement of financial position date to January 27, 2021, the date the financial statements were available to be issued.

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

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>				
Grants	\$ 2,235,925	\$ 2,235,925	\$ 2,173,860	\$ (62,065)
Other income	-	-	46,489	46,489
Total revenue	<u>2,235,925</u>	<u>2,235,925</u>	<u>2,220,349</u>	<u>(15,576)</u>
<b>Expenditures</b>				
Personnel	1,062,655	1,062,655	1,007,838	54,817
Contractual and professional services	166,000	166,000	216,684	(50,684)
Training, support and program	583,500	583,500	300,264	283,236
Travel, conferences and seminars	64,700	64,700	48,990	15,710
Facilities and maintenance	252,810	252,810	221,991	30,819
Supplies and printing	27,075	27,075	254,123	(227,048)
Other	79,185	79,185	115,452	(36,267)
Capital outlay	-	-	-	-
Total expenditures	<u>2,235,925</u>	<u>2,235,925</u>	<u>2,165,342</u>	<u>70,583</u>
Excess of revenue over expenditures	-	-	55,007	55,007
Fund balance, beginning of year	98,603	98,603	98,603	-
Fund balance, end of year	<u>\$ 98,603</u>	<u>\$ 98,603</u>	<u>\$ 153,610</u>	<u>\$ 55,007</u>

See notes to required supplementary information.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2020**

**A. Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

The Organization generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

1. Prior to June 30, the administrator submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Board.
3. After public hearings and necessary revisions have been completed, the budget is approved.
4. The legal level of budgetary control is the fund level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**B. Excess of Appropriations Over Expenditures**

Appropriations were greater than expenditures in the General Fund.



**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	CFDA	CONTRACT NUMBER	EXPENDITURES
<b>U.S. Department of Agriculture</b>			
<u>Passed through Florida Department of Economic Opportunity</u>			
Food Stamp Employment and Training	10.561	FSH19	\$ 5,907
Food Stamp Employment and Training	10.561	FSH20	27,188
<b>Total U.S. Department of Agriculture</b>			<u>33,095</u>
<b>U.S. Department of Labor</b>			
<u>Passed through Florida Department of Economic Opportunity</u>			
<b>Employment Services Cluster:</b>			
Wagner Peyser FY16-17 Performance Incentives	17.207	WPB17	62,162
Wagner Peyser	17.207	WPA19	50,780
Wagner Peyser SFY17-18 Performance Incentives	17.207	WPB19	10,785
Wagner Peyser	17.207	WPA20	19,107
			<u>142,834</u>
Disabled Veterans Outreach Program	17.801	DVP19	3,498
Disabled Veterans Outreach Program	17.801	DVP20	878
			<u>4,376</u>
<b>Total Employment Services Cluster:</b>			<u>147,210</u>
<b>Reemployment Services and Eligibility Assessments</b>	17.225	UCR19	15,650
			<u>15,650</u>
<b>Workforce Innovation and Opportunity Act (WIOA) Cluster</b>			
WIOA - Adult	17.258	WIA19	282,747
SFY18-19 Supplemental WIOA State Level	17.258	WIS18	12,831
PY 16-17 Performance Incentives	17.258	WIS18	168,675
Apprenticeship Expansion	17.258	WIS19	9,316
Soft Skills	17.258	WIS19	16,051
Sector Strategies	17.258	WIS19	8,012
SFY 19-20 WIOA Rural Initiatives	17.258	WIS18	61,875
COVID-19 PPE	17.258	WIS19	2,339
			<u>561,846</u>
WIOA - Youth	17.259	WIY19	404,622
WIOA - Youth	17.259	WIY20	40,333
SFY18-19 Supplemental WIOA State Level	17.259	WIS18	12,831
PY 16-17 Performance Incentives	17.259	WIS18	168,675
Apprenticeship Expansion	17.259	WIS19	9,316
Soft Skills	17.259	WIS19	16,051
Sector Strategies	17.259	WIS19	8,012
SFY 19-20 WIOA Rural Initiatives	17.259	WIS18	61,875
COVID-19 PPE	17.259	WIS19	2,339
			<u>724,054</u>

(Continued)

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
 CAREERSOURCE NORTH FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE</u>	<u>CFDA</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
<b>U.S. Department of Labor</b>			
<b>Passed through Florida Department of Economic Opportunity (Continued)</b>			
WIOA - Dislocated Worker	17.278	WID19	\$ 148,539
SFY18-19 Supplemental WIOA State Level	17.278	WIS18	13,219
PY 16-17 Performance Incentives	17.278	WIS18	173,785
Apprenticeship Expansion	17.278	WIS19	10,482
Soft Skills	17.278	WIS19	18,057
Sector Strategies	17.278	WIS19	9,012
SFY 19-20 WIOA Rural Initiatives	17.278	WIS18	63,750
COVID-19 PPE	17.278	WIS19	2,631
			<u>439,475</u>
<b>Total Workforce Innovation and Opportunity Act (WIOA) Cluster</b>			<u><u>1,725,375</u></u>
Trade Adjustment Assistance- Case Managment	17.245	TAC17	46
Trade Adjustment Assistance- Case Managment	17.245	TAC18	553
Trade Adjustment Assistance- Training	17.245	TAT18	4,606
			<u>5,205</u>
<b>Total U.S. Department of Labor</b>			<u><u>1,893,440</u></u>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed through Florida Department of Economic Opportunity</b>			
Welfare Transition Program	93.558	WTS19	43,873
Welfare Transition Program	93.558	WTS19	72,506
Welfare Transition Program	93.558	WTS20	130,798
<b>Total U.S. Department of Health and Human Services</b>			<u><u>247,177</u></u>
<b>Total Federal Programs</b>			<u><u>\$ 2,173,712</u></u>

See notes to Schedule of Expenditures of Federal Awards.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A  
CAREERSOURCE NORTH FLORIDA**

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation of the Single Audit Report of the North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements described in the *OMB Compliance Supplement, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Reporting Entity**

The reporting entity consists of North Florida Workforce Development Board, Inc. D/B/A, the primary government. Management has determined that there are no component units.

**A. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards. Under the modified accrual basis, revenues are recognized when they become 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 Organization considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**NOTE 2. INDIRECT COST RATE**

North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida, did not elect to use the 10 percent de minimis indirect cost rate.

**NOTE 3. SUBRECIPIENT**

The Organization provided federal awards to a subrecipient as follows during the year ended June 30, 2020.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Wagner-Peyser	17.207	\$ 305
Disabled Veterans Outreach Program	17.801	31
Unemployment Compensation	17.225	174
Supplemental Nutrition Assistance Program	10.561	112
WIOA Adult	17.258	5,411
WIOA Youth	17.259	1,226
WIOA Dislocated Worker	17.278	245
Temporary Assistance for Needy Families	93.558	675
		<u>\$ 8,179</u>

## MANAGEMENT LETTER

Board of Directors  
North Florida Workforce Development Board, Inc. D/B/A C CareerSource North Florida  
Madison, Florida

We have audited the financial statements of the North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization) as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 27, 2021.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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), and Chapter 10.550, *Rules of the Florida Auditor General*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with the *Uniform Guidance*, Schedule of Findings and Questioned Costs and Independent Accountant's Report on an Examination conducted in accordance with the American Institute of Certified Public Accountants. Professional Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 27, 2021, should be considered in conjunction with this management letter:

Additionally, our audit was conducted in accordance with:

- Special audit guidance provided by the Department of Economic Opportunity (DEO).
- Chapter 10.550, *Rules of the Auditor General*, which governs conduct of entity audits of local governments performed in the State of Florida.

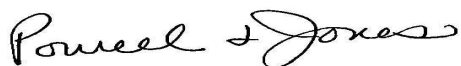
This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no findings or recommendations in the preceding annual financial report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. The special audit guidance provided by DEO requires disclosure in this management letter for those findings and observations not otherwise included in the aforementioned

auditor's reports or schedule. In connection with our audit, we did not have any such findings, observations, or recommendations.

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The financial reporting entity and the legal authority for the entity are described in Note 1 to the financial statements. The Organization does not have any component units.
- Section 10.554(1)(i)5a., *Rules of the Auditor General*, requires a statement to be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the Organization did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.
- Pursuant to Section 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the Organization's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 319, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, management and the Board of Directors of the Organization, and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
**Certified Public Accountants**  
**January 27, 2021**

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Directors  
North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida  
Madison, Florida

We have audited the financial statements of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Qualitative Aspects of Accounting Practices**

*Accounting Policies:* Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

*Disclosures:* There are no disclosures that are particularly sensitive.

*Corrected and Uncorrected Misstatements:* Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate to the financial statements taken as a whole and we do not disagree.

### **Our Working Relationship with Management**

*Difficulties Encountered in Performing the Audit:* We encountered no significant difficulties in dealing with management in performing and completing our audit.

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

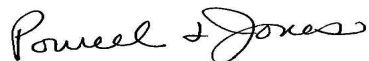
*Management Representations:* We have requested certain representations from management that are included in the management representation letter.

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

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

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

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

**Powell and Jones**  
**Certified Public Accountants**  
**January 27, 2021**



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

Board of Directors  
North Florida Workforce Development Board, Inc. D/B/A  
CareerSource North Florida  
Madison, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida (the Organization) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated January 27, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an 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 over financial reporting.

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

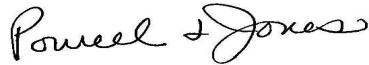
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**January 27, 2021**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
THE UNIFORM GUIDANCE**

Board of Directors  
North Florida Workforce Development Board, Inc. D/B/A  
CareerSource North Florida  
Madison, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Organization 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 for the year ended June 30, 2020.

## Internal Control Over Compliance

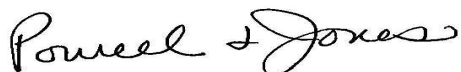
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Florida Workforce Development Board, Inc. D/B/A CareerSource North Florida's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal Award on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 Award 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 Award 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Concluding Matters

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. Accordingly, this report is not suitable for any other purpose.



**POWELL & JONES**  
Certified Public Accountants  
January 27, 2021

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements	No

**Federal Awards**

Internal control over major programs:	
● Material weakness(es) identified?	No
● Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
	<b>U.S. Department of Labor</b>
	<i>Workforce Innovation and Opportunity Act (WIOA) Cluster</i>
17.258	WIOA Adult
17.259	WIOA Youth
17.278	WIOA Dislocated Worker
	<b>U.S. Department of Health and Human Services</b>
93.558	<i>Temporary Assistance for Needy Families</i>

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None

## INDEPENDENT ACCOUNTANT'S REPORT

To the Governing Board  
North Florida Workforce Development Board Inc.

We have examined North Florida Workforce Development Board Inc.'s compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended June 30, 2020. Management is responsible for North Florida Workforce Development Board Inc.'s compliance with those requirements. Our responsibility is to express an opinion on the Organization's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Organization complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Organization complied in all material respects, with the requirements referenced above. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our decision. Our examination does not provide a legal determination on the Organization's compliance with specified requirements.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2020.

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



**POWELL & JONES**  
Certified Public Accountants  
January 27, 2021