

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

CAREERSOURCE NORTH FLORIDA

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
 CAREERSOURCE NORTH FLORIDA
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED
 JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Florida Workforce Development Board, Inc.

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of North Florida Workforce Development Board, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise North Florida Workforce Development Board, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Florida Workforce Development Board, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Florida Workforce Development Board, 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.

Auditor's 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 auditor's 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 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 North Florida Workforce Development Board, 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 North Florida Workforce Development Board, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 the North Florida Workforce Development Board, Inc.'s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in 2022 the Organization adopted new accounting guidance, GASBS No. 87, Leases. Our opinions are not modified with respect to this matter.

Powell & Jones

POWELL & JONES
Certified Public Accounts
Lake City, Florida
October 25, 2022

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
CAREERSOURCE NORTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 \$117,080.
- Unrestricted net position at June 30, 2022 was \$191,841.
- The Organization incurred total expenses for the year of about \$1,844,241, compared to revenues of approximately \$1,961,321.

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

	Net Position	
	2022 Governmental Activities	2021 Governmental Activities
Assets:		
Non-capital assets	\$ 424,195	\$ 522,936
Capital assets, net	<u>234,236</u>	<u>173,095</u>
Total assets	<u>658,431</u>	<u>696,031</u>
Liabilities:		
Current liabilities	141,808	329,931
Non-current liabilities	<u>90,546</u>	<u>50,979</u>
Total liabilities	<u>232,354</u>	<u>380,910</u>
Net position:		
Net investment in capital assets	234,236	142,028
Unrestricted	<u>191,841</u>	<u>173,093</u>
Total net position	<u>\$ 426,077</u>	<u>\$ 315,121</u>

Change in Net Position

	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>
General revenues:		
Federal grants	\$ 1,804,344	\$ 1,917,746
Other revenues	156,977	2,065
Total revenues	<u>1,961,321</u>	<u>1,919,811</u>
Program expenses:		
Administrative and program indirect	199,137	178,947
Training and support	1,645,104	1,792,773
Total expenses	<u>1,844,241</u>	<u>1,971,720</u>
Change in net position	117,080	(51,909)
Beginning net position	315,121	367,030
Prior period adjustment	(6,124)	-
Ending net position	<u>\$ 426,077</u>	<u>\$ 315,121</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$1,804,344 in program revenues, \$156,977 of general revenues, and incurred \$1,844,241 of program expenses. This resulted in an increase in net position of \$117,080. This increase is a management decision to reclassify a deferred revenue to other revenue in the current year.

General Fund

The fund balance of the General Fund has increased by \$157,124 from \$142,027 to \$299,151. 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 remained the same. Budgeted expenditures exceeded actual expenditures by \$521,236.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Organization had no new purchases of capital assets during the current year, however the Organization did enter into a new lease which resulted in a right to use leased property in the amount of \$50,546. 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 was its accrual for compensated absences and lease liabilities. 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, 2022**

ASSETS

Current assets	
Cash and cash equivalents	\$ 197,342
Grants and contracts receivable	223,579
Deposits	3,274
Total current assets	<u>424,195</u>
Capital assets being depreciated, net	234,236
Total assets	<u><u>658,431</u></u>

LIABILITIES

Current liabilities	
Accounts payable and accrued expenses	46,366
Unearned revenue	27,148
Leases	60,566
Compensated absences	7,728
Total current liabilities	<u>141,808</u>
Long-term liabilities	
Compensated absences	43,802
Leases	46,744
	<u>90,546</u>
Total liabilities	<u><u>232,354</u></u>

NET POSITION

Unrestricted	191,839
Invested in capital assets	234,236
Total net position	<u><u>\$ 426,077</u></u>

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, 2022**

Functions/Programs	Expenses		Program Revenue		Net (Expenses) Revenue and Changes in Net Position
	Program	Indirect	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Economic environment					
Jobs training and placement	\$ 1,645,104	\$ 199,137	\$ 1,804,344	\$ -	\$ (39,897)
Total governmental activities	<u>\$ 1,645,104</u>	<u>\$ 199,137</u>	<u>\$ 1,804,344</u>	<u>\$ -</u>	<u>\$ (39,897)</u>
				General revenue:	
				Other	<u>156,977</u>
				Changes in net position	117,080
				Net position, beginning of year	315,121
				Prior period adjustment	(6,124)
				Net position, end of year	<u>\$ 426,077</u>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
CAREER SOURCE NORTH FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022**

ASSETS	
Cash and cash equivalents	\$ 197,342
Grants and contracts receivable	172,049
Deposits	3,274
Total assets	<u>\$ 372,665</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued expenses	\$ 46,366
Unearned revenue	27,148
Total liabilities	<u>73,514</u>
Fund balance	
Nonspendable	3,274
Unassigned	295,877
Total fund balance	<u>299,151</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Grants receivable recorded for compensated absences	51,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	234,236
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds - compensated absences	(51,530)
Leases payable	(107,310)
Net position of governmental activities	<u>\$ 426,077</u>

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, 2022**

Revenues		
Grants	\$	1,803,792
Other income		156,977
Total revenues		<u>1,960,769</u>
Expenditures		
Personnel		900,165
Contractual and professional services		195,660
Training, support and program		264,380
Travel, conferences and seminars		43,621
Facilities and maintenance		103,263
Supplies and printing		87,846
Other		148,509
Capital outlay		50,546
Debt service		
Principal		55,348
Interest		4,852
Total expenditures		<u>1,854,190</u>
Excess of revenues over expenditures		106,578
Other financing sources		
Lease		50,546
Net change in fund balances		<u>157,124</u>
Fund balance, beginning of year		<u>142,027</u>
Fund balance, end of year	\$	<u><u>299,151</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, 2022**

Amounts reported for governmental activities are different because:

Net change in fund balance - governmental fund	\$ 157,124
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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 and amortization.

Capital outlay	50,546	
Depreciation and amortization	<u>(95,392)</u>	(44,846)

The issuance of leases provides current financial resources to governmental funds but the issuance of leases increases long-term liabilities in the Statement of Net Position

Leases issued		(50,546)
Principal portion lease payments		55,348

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.

(552)

Grant revenue adjusted for decrease in compensated absences	<u>552</u>
Change in net position of governmental activities	<u>\$ 117,080</u>

See notes to financial statements.

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, in the amount of \$51,530.

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	\$ 564,493
Accumulated depreciation	(330,257)
	<u>\$ 234,236</u>

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

Compensated absences	<u>\$ 51,530</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 expenditures for capital assets	<u>\$ 50,546</u>
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Current year depreciation expense	<u>\$ (95,392)</u>
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An increase in compensated absences, and the corresponding revenue, is not reported in governmental funds.

Compensated absences	<u>\$ (552)</u>
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NOTE 3. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022 was as follows:

	June 30, 2021	Prior Period Adjustment	Additions	Deletions	June 30, 2022
Property and equipment being depreciated					
Property and equipment	\$ 320,755	\$ -	\$ -	\$ (11,945)	\$ 308,810
Right to use leased property	-	205,137	50,546	-	255,683
Accumulated depreciation					
Property and equipment	(147,660)	-	(40,324)	11,945	(176,039)
Right to use leased property	-	(99,150)	(55,068)	-	(154,218)
Property and equipment, net	<u>\$ 173,095</u>	<u>\$ 105,987</u>	<u>\$ (44,846)</u>	<u>\$ -</u>	<u>\$ 234,236</u>

Depreciation expense for the year totaled \$95,392.

NOTE 4. LONG-TERM LIABILITIES

Long-term liabilities consist of compensated absences as follows:

	Balance July 1, 2021	Prior Period Adjustment	Additions	Deletions	Balance June 30, 2022
Leases	\$ -	\$ 112,112	\$ 50,546	\$ (55,348)	\$ 107,310
Compensated absences	50,978	-	552	-	51,530
	<u>\$ 50,978</u>	<u>\$ 112,112</u>	<u>\$ 51,098</u>	<u>\$ (55,348)</u>	<u>\$ 158,840</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 \$47,210 for the year ended June 30, 2022.

NOTE 6. LEASES PAYABLE

The Organization leases office space under contracts accounted for as operating leases. A schedule of the present value of the leases, interest rates and terms follows:

	Lease Term	Initial Lease Liability	Monthly Payment	Interest Rate	Value of Right to Use Asset	Accumulated amortization
Madison Office	5 Years	\$ 205,137	\$ 3,850	4.75%	\$ 64,960	\$ 140,177
Live Oak Office	3 Years	\$ 50,546	\$ 1,400	5.00%	\$ 36,505	\$ 14,041

Total lease payments made during the period June 30, 2022 for these leases, were \$60,200. Future principal and interest lease payments as of June 30, 2022 were as follows:

Fiscal Year Ended	Interest	Principal	Total
2023	\$2,854	\$60,566	\$63,420
2024	895	43,792	44,687
2025	18	2,952	2,971
	<u>\$3,767</u>	<u>\$107,310</u>	<u>\$111,077</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 were reconciled to the reported expenditures in SERA for the year ended June 30, 2022.

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.

In March 2022, 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 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.

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, 2022:

<u>Description</u>	<u>Amount Paid</u>	<u>Accounts Payable</u>
Training services	\$ 86,402	\$ -
Rent	\$ 4,400	\$ -

NOTE 11. FAIR VALUE MEASUREMENTS

At June 30, 2022, 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 2022, 2021 and 2020 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, 2022. 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 October 25, 2022, the date the financial statements were available to be issued.

NOTE 14. PRIOR PERIOD ADJUSTMENT

In the current year, the Organization implemented GASB Statement 87 Leases. The statement requires the recognition of a right to use rental properties and a corresponding lease liability. The statement also requires the amortization of the right to use the asset and the amortization of the net present value of the lease payable in interest and principal components. The retrospective application of the statement has resulted in a prior period adjustment as follows:

Prior years recognition of the reduction in the lease liability	\$ (99,150)
Prior years amortization of the right to use leased property	93,026
Prior period adjustment to net position	<u>\$ (6,124)</u>

NOTE 15. OTHER INCOME

In prior years, the Organization maintained a balance of \$153,194 in its unearned revenue account. In the current year, management determined that these funds no longer contained outside restrictions and classified them as unrestricted revenues.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
CAREERSOURCE NORTH FLORIDA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenue				
Grants	\$ 2,375,426	\$ 2,375,426	\$ 1,803,792	\$ (571,634)
Other income	-	-	156,977	156,977
Total revenue	<u>2,375,426</u>	<u>2,375,426</u>	<u>1,960,769</u>	<u>(414,657)</u>
Expenditures				
Personnel	1,152,501	1,152,501	900,165	252,336
Contractual and professional services	225,500	225,500	195,660	29,840
Training, support and program	464,300	464,300	264,380	199,920
Travel, conferences and seminars	75,350	75,350	43,621	31,729
Facilities and maintenance	148,000	147,700	103,263	44,437
Supplies and printing	53,350	53,250	87,846	(34,596)
Other	170,625	171,025	148,509	22,516
Capital outlay	25,600	25,600	50,546	(24,946)
Lease payments				
Principal	55,348	55,348	55,348	-
Interest	4,852	4,852	4,852	-
Total expenditures	<u>2,375,426</u>	<u>2,375,426</u>	<u>1,854,190</u>	<u>521,236</u>
Excess of revenue over expenditures	-	-	106,578	106,578
Other financing sources	-	-	50,546	50,546
			<u>157,124</u>	<u>157,124</u>
Fund balance, beginning of year	142,027	142,027	142,027	-
Fund balance, end of year	<u>\$ 142,027</u>	<u>\$ 142,027</u>	<u>\$ 299,151</u>	<u>\$ 157,124</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, 2022**

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, 2022**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	CFDA	CONTRACT NUMBER	EXPENDITURES
U.S. Department of Agriculture			
Passed through Florida Department of Economic Opportunity			
Food Stamp Employment and Training	10.561	FSH21	\$ 10,620
Total U.S. Department of Agriculture			10,620
U.S. Department of Labor			
Passed through Florida Department of Economic Opportunity			
Employment Services Cluster:			
Wagner Peyser	17.207	WPA21	9,645
Recovery Navigator Project 2021	17.207	WPB22	22,811
Wagner Peyser	17.207	WPA22	37,419
			<u>69,875</u>
Disabled Veterans Outreach Program	17.801	DVP21	3,973
Disabled Veterans Outreach Program	17.801	DVP22	3,224
Local Veterans Employment Representative	17.801	LVR21	6,820
			<u>14,017</u>
Total Employment Services Cluster:			83,892
Reemployment Services and Eligibility Assessments	17.225	UCR20	8,318
Reemployment Services and Eligibility Assessments	17.225	UCR21	14,522
			<u>22,840</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster			
WIOA - Adult	17.258	WIA21	295,902
SFY19-20 Performance Incentives	17.258	WIS20	1,732
SFY20-21 Performance Incentives	17.258	WIS21	8,736
			<u>306,370</u>
WIOA - Youth	17.259	WIY21	276,549
WIOA - Youth	17.259	WIY22	485
SFY19-20 Performance Incentives	17.259	WIS20	1,732
SFY20-21 Performance Incentives	17.259	WIS21	8,736
			<u>287,502</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, 2022**

FEDERAL GRANTOR/PASS THROUGH	CONTRACT		
<u>GRANTOR/PROGRAM TITLE</u>	<u>CFDA</u>	<u>NUMBER</u>	<u>EXPENDITURES</u>
U.S. Department of Labor			
Passed through Florida Department of Economic Opportunity (Continued)			
WIOA - Dislocated Worker	17.278	WID21	\$ 192,091
WIOA - Dislocated Worker	17.278	WID22	59
Apprenticeship Navigator	17.278	WRS20	73,755
21-22 WIOA Rural Initiatives	17.278	WRS21	375,000
Rapid Response	17.278	WIR22	26,540
SFY19-20 Performance Incentives	17.278	WIS20	2,124
SFY20-21 Performance Incentives	17.278	WIS21	9,828
			<u>679,397</u>
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>1,273,269</u>
National Emergency - COVID 19	17.277	WNC20	<u>18,216</u>
Total U.S. Department of Labor			<u>1,398,217</u>
U.S. Department of Health and Human Services			
Passed through Florida Department of Economic Opportunity			
Welfare Transition Program	93.558	WTS21	136,353
Welfare Transition Program	93.558	WTS22	208,247
Total U.S. Department of Health and Human Services			<u>344,600</u>
Total Federal Programs			<u>\$ 1,753,437</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, 2022

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 CareerSource North Florida, 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, 2022.

<u>Program Title</u>	<u>Federal CFDA Number</u>		
WIOA Adult	17.258	\$	8,000
WIOA Youth	17.259		4,000
WIOA Dislocated Worker	17.278		4,000
		\$	<u>16,000</u>

NOTE 4. ALLOCATION OF WIOA FUNDING

Funds received from DEO grants under Contract numbers WIS20 and WIS21 were allocated to Federal CFDA numbers as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>WIS20</u>	<u>WIS21</u>
WIOA Adult	17.258	\$ 1,732	\$ 8,736
WIOA Youth	17.259	1,732	8,736
WIOA Dislocated Worker	17.278	2,124	9,828
		<u>\$ 5,588</u>	<u>\$ 27,300</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, 2022, and have issued our report thereon dated October 25, 2022.

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 October 25, 2022, 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.

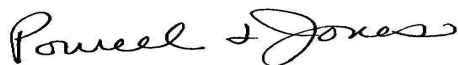
This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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 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 communicate 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)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not North Florida Workforce Development Board, Inc. has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*. 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 for North Florida Workforce Development Board, Inc. 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
October 25, 2022

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, 2022. 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 August 30, 2022. 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. The new accounting standards regarding lease accounting and reporting was adopted. 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.

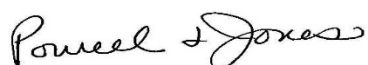
Management Representations: We have requested certain representations from management that are included in the management representation letter.

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
October 25, 2022

**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, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated October 25, 2022.

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) as a basis for designing 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.

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.

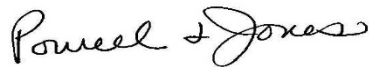
Compliance and Other Matters

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 statements. However, providing an opinion

on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
October 25, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
North Florida Workforce Development Board, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Florida Workforce Development Board, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of North Florida Workforce Development Board, Inc.'s major federal programs for the year ended June 30, 2022. North Florida Workforce Development Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, North Florida Workforce Development Board, 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 for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Florida Workforce Development Board, 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. Our audit does not provide a legal determination of North Florida Workforce Development Board, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 North Florida Workforce Development Board, 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*, and the Uniform 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 North Florida Workforce Development Board, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform 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 North Florida Workforce Development Board, 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 North Florida Workforce Development Board, 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, but not for the purpose of expressing an opinion on the effectiveness of North Florida Workforce Development Board, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

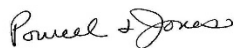
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 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 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 Auditor's 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. Accordingly, this report is not suitable for any other purpose.



Powell and Jones, CPA's

Lake City, Florida

October 25, 2022

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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>
	U.S. Department of Labor
	<i>Workforce Innovation and Opportunity Act (WIOA) Cluster</i>
17.258	WIOA Adult
17.259	WIOA Youth
17.278	WIOA Dislocated Worker

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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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, 2022. 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, 2022.

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
October 25, 2022