

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA**

INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida (the Board) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida, as of June 30, 2021 and the respective changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

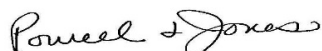
Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 15, 2021 on our consideration of the Board's internal control over financial reporting and on our tests of 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 the Board's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
October 15, 2021

SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

<u>Assets</u>	
Current Assets	
Cash and cash equivalents	\$ 2,765,043
Grant receivable	2,453
Prepaid expenses	69,772
Total current assets	2,837,268
Property and equipment	
Land and building	2,492,000
Leasehold improvements	1,033,009
Data processing equipment	488,703
Furniture and fixtures	375,584
Office equipment	27,171
	4,416,467
Less accumulated depreciation	(3,081,702)
Net property and equipment	1,334,765
Total Assets	\$ 4,172,033
<u>Liabilities and Net Assets</u>	
Current Liabilities	
Accounts payable and accrued expenses	\$ 479,268
Accrued compensated absences	39,497
Deferred revenue	1,128,404
Current portion - note payable	96,788
Total current liabilities	1,743,957
Long-term liabilities:	
Long-term portion of accrued compensated absences	223,816
Note payable	1,616,891
Unamortized loan costs, net	(25,330)
	1,815,377
Net Assets Without Donor Restrictions	612,699
Total Liabilities and Net Assets Without Donor Restrictions	\$ 4,172,033

See notes to financial statements.

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA**

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Revenues and support without donor restrictions	
Grant revenue (Federal)	\$ 10,626,826
Other contractual, rent and interest	587,500
Total revenues and support without donor restrictions	11,214,326
Expenses	
Program	
Personnel	4,735,446
Facilities	1,637,766
Operational	295,138
Participant Training	2,134,044
Small equipment	79,953
Depreciation and amortization	193,343
Administration	
Personnel	904,917
Facilities	463,506
Operational	269,377
Work experience	
Personnel	336,193
Facilities	80,122
Operational	13,914
Training	116,541
Total expenses	11,260,260
Change in net assets without donor restrictions	(45,934)
Net assets without donor restrictions, beginning of year	658,633
Net assets without donor restrictions, end of year	\$ 612,699

See notes to financial statements.

SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	WORKFORCE INNOVATION AND OPPORTUNITY ACT	NATIONAL EMERGENCY	WELFARE TRANSITION	OTHER EMPLOYMENT PROGRAMS	TOTAL
Program					
Personnel	\$ 2,571,593	\$ 656,518	\$ 1,357,503	\$ 149,832	\$ 4,735,446
Facilities	1,153,734	85,125	189,604	209,303	1,637,766
Operational	139,737	11,549	53,462	90,390	295,138
Participant Training	1,508,953	318,155	223,611	83,325	2,134,044
Small equipment	79,953	-	-	-	79,953
Depreciation and amortization	-	-	-	193,343	193,343
Administration					
Personnel	349,441	76,071	128,867	350,538	904,917
Facilities	48,648	11,032	18,688	385,138	463,506
Operational	96,440	21,840	36,996	114,101	269,377
Work experience					
Personnel	336,193	-	-	-	336,193
Facilities	77,105	-	-	3,017	80,122
Operational	13,914	-	-	-	13,914
Training	116,541	-	-	-	116,541
	<u>\$ 6,492,252</u>	<u>\$ 1,180,290</u>	<u>\$ 2,008,731</u>	<u>\$ 1,578,987</u>	<u>\$ 11,260,260</u>

See notes to financial statements.

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE SOUTHWEST FLORIDA**

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:

Change in net assets	\$ (45,934)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	193,343
Decrease in operating assets:	
Grants receivable	669,414
Accounts receivable	10,207
Prepaid expenses	2,950
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(62,776)
Deferred revenue	36,137
Total adjustments	<u>849,275</u>
Net cash provided by operating activities	<u>803,341</u>

Cash flows from financing activities:

Line of credit repayment	(100,000)
Loan repayment	<u>(92,059)</u>
Net cash used by financing activities	<u>(192,059)</u>

Net increase in cash and cash equivalents 611,282

Cash and cash equivalents, beginning of year	<u>2,153,761</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,765,043</u></u>

See notes to financial statements.

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC. D/B/A
CAREERSOURCE SOUTHWEST FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida (the Board) is a non-profit corporation that was established in April 1997 under the laws of the State of Florida. The Board is one of twenty-four Regional Workforce Development Boards, in the State of Florida providing the development, planning, monitoring and administration of the following grants and programs:

Workforce Innovation and Opportunity Act (WIOA) - WIOA programs provide youth, adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers.

WIOA Dislocated Worker National Emergency - The purpose of the National Dislocated Worker Grant program is to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Significant events are those that create a sudden need for assistance that cannot reasonably be expected to be accommodated within the on-going operations of the formula-funded Dislocated Worker program, including the discretionary resources reserved at the state level.

21st Century Community Learning Centers - This program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Wagner-Peyser - Wagner-Peyser programs are designed to improve the functioning of the nation's labor markets by bringing together individuals who are seeking employment with employers who are seeking workers.

Unemployment Compensation (UC) – The UC grant is used to administer the program of unemployment compensation insurance for eligible workers through Federal and State cooperation.

Reemployment Services and Eligibility Assessments - The Worker Profiling and Reemployment Services (WPRS) system, mandated by Public Law 103-152 of the Unemployment Compensation Amendments of 1993, is designed to identify and rank or score unemployment insurance claimants by their potential for exhausting their benefits for referral to appropriate reemployment and training services.

Trade Adjustment Assistance (TAA) – The TAA program provides adjustment assistance to qualified workers adversely affected by foreign trade.

Disabled Veterans Outreach Program (DVOP) - DVOP grants are used to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through community agencies and organizations.

Local Veterans Employment Representative (LVER) – The LVER program helps build relationships with employers and engage in advocacy efforts with hiring executives and managers to increase employment opportunities for veterans.

Supplemental Nutrition Assistance Program (SNAP) - Florida's Supplemental Nutrition Assistance Program is designed to provide voluntary training, education, support services and skills to food stamp recipients.

Temporary Assistance for Needy Families (TANF) - TANF programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

The Board covers Region 24 which includes Collier, Charlotte, Hendry, Glades and Lee Counties. Support and revenue are obtained primarily from federal grants and state grants. Board is responsible for developing and implementing an area plan and subgranting funds to direct providers of services.

Basis of Accounting and Presentation

Financial Statements

The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: These are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: These are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained on perpetuity. The Organization held no assets with donor imposed restrictions at year end.

Contributions and Restricted Net Assets

Unconditional contributions are recognized when received and recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of the donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as assets without donor restriction upon acquisition of the assets and the assets are placed in service.

The Organization historically does not receive contributions from donors. Primarily all of its funding is through grants, which must be expended on specified programs or activities. Cost reimbursement grants are recorded as revenue when the related expenses have been incurred. Other grants are recorded as support and revenue when earned. As of June 30, 2021, all net assets of the Organization were without donor imposed restrictions.

Measure of Operations:

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. There were no non-operating activities for the year ended June 30, 2021.

Use of Estimates and Assumptions

Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions. These 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 expenses during the period. Actual results may differ from those estimates and assumptions.

Donated Use of Assets and Services

The Board records donated services as revenues if either; (a) they create or enhance nonfinancial assets; or (b) they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services recorded during the year ended June 30, 2021.

Loans and Financing Costs:

Loan and financing costs are being amortized over the remaining life of the loan.

Income Tax Status

The Board is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Board has not participated in taxable activities and therefore, no provision for income taxes has been provided for in the financial statements.

Under the FASB Accounting Standards Codification topic Income Taxes, the Board has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Board.

The Board files informational returns with the federal government. The tax periods open to examination by the major taxing jurisdictions to which the Board is subject include fiscal years ended June 30, 2019 through June 30, 2021.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Board considers all money market funds with an original maturity of three months or less to be cash equivalents.

The Board maintains its cash balances with a financial institution. All deposits were 100% insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral provided by the institution as a qualified public depository to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida.

Grants, Contracts Receivable and Bad Debts

Revenue is recognized under cost-reimbursement grant programs as allowable costs are incurred. Grants receivable consist of allowable costs incurred, but not yet received from the grantor agency. Grants receivable also offset certain year-end payables and/or accrued expenses that have not been submitted for reimbursement as of year-end (to grantor agency) but which have been incurred, and will be submitted subsequent to year-end. Other contracts and receivables are recognized when billed.

On an annual basis, management individually reviews all receivable balances and estimates the portion, if any, of the balance that will not be collected. The allowance for doubtful accounts is based on management's estimate of collectability. As of June 30, 2021, an allowance for doubtful accounts was not deemed necessary.

Fixed Assets

Fixed assets are stated at cost at the date of acquisition or at acquisition value, in the case of gifts. Fixed assets are recorded as assets with donor restrictions in the case of donations with time stipulations.

Expenditures exceeding \$5,000 that significantly add to the productivity or extend the useful life of fixed assets are capitalized. Depreciation is provided for over the estimated service lives of respective assets on a straight-line basis for periods ranging from five to forty years. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred.

In accordance with contract provisions, the Board has segregated and identified furniture and equipment that has been purchased or improved with funds received from government agencies. Certain assets must revert to the grantor if they are no longer being used to support the program.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When assets are impaired, asset values are reduced for this impairment. There was no impairment recognized on fixed assets for the year ended June 30, 2021.

Deferred Revenue

Deferred revenue represents grant funds which have been received, but for which the prescribed services have not yet been completed. These revenues will be recognized as income when these services are completed.

Financial Instruments Not Measured at Fair Value

The Board's financial instruments are not measured at fair value on a recurring basis; however, certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, contract and grant receivables, prepaid expenses, accounts payable, accrued expenses and deferred revenue.

Subsequent Events

The Board has evaluated all events subsequent to the statement of financial position date of June 30, 2021, through the date these financial statements were available to be issued, October 15, 2021, and have determined that there are no subsequent events that require disclosure.

NOTE 2. GRANTS RECEIVABLE

At June 30, 2020, grants receivable consisted of the following:

<u>Program</u>	<u>Amount</u>
Disable Veterans Outreach Program	\$ 2,453
Total	\$ 2,453

NOTE 3. FIXED ASSETS

Fixed assets at June 30, 2021, consists of the following:

<u>Asset</u>		<u>Useful Lives in Years</u>
Asset not depreciated:		
Land	\$ 25,000	-
Assets depreciated:		
Building	2,467,000	40
Leasehold improvements	1,033,009	5
Office equipment	27,171	5
Data processing equipment	488,703	5
Furniture and fixtures	375,584	5
	<u>4,391,467</u>	
Less accumulated depreciation	<u>(3,081,702)</u>	
Depreciated assets net of depreciation	<u>1,309,765</u>	
Total assets net of depreciation	<u>\$ 1,334,765</u>	

Depreciation expense for the year ended June 30, 2021, totaled \$193,094.

NOTE 4. PREPAID EXPENSES

Prepaid expenses at June 30, 2021, consist of the following:

Prepaid utilities	\$ 2,672
Prepaid rent	55,000
Prepaid incentive cards	12,100
	<u>\$69,772</u>

Various grant contracts authorize the provision of support services to eligible customers. These benefits are typically provided utilizing prepaid services such as gas cards and bus passes. The Board held unissued prepaid cards totaling \$12,100 at June 30, 2021.

NOTE 5. DEFERRED REVENUE

The Board records advances on grants and contracts as deferred revenue until it is expended for the purpose of the grant or contract, at which time it becomes unconditional and is recognized as revenue.

At June 30, 2021, deferred revenue consisted of the following:

<u>Program</u>	<u>Amount</u>
WIOA Adult	\$ 254,572
WIOA State Level Emerging Initiatives	11,109
WIOA Performance Incentives	25,000
WIOA Youth	144,518
National Emergency COVID 19	170,069
WIOA Dislocated Worker	169,671
Trade Adjustment Assistance	2,649
Wagner-Peyser	45,513
Supplemental Nutrition Assistance Program	20,350
Welfare Transition	55,199
Collier County Work-Based Learning	87,922
Other	141,832
	<u>\$ 1,128,404</u>

NOTE 6. COST ALLOCATIONS

The Organization records costs that can be directly identified as benefiting a specific WIOA, TANF, or DEO Joint Managed Programs funding stream as direct expenses of the related program. Certain costs which are directly shared, have been allocated to programs based upon the relative benefit received. The Organization allocates indirect costs that cannot be identified as benefiting a specific program. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the Florida Department of Economic Opportunity. The following is a table of cost allocation methodologies for expenditures which are allocated:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Facilities costs and rents	Full time employees located in the facilities
Supplies, equipment leases, telephone, communications and other costs	Charged to cost centers based upon geographic location and upon full time employees at that site
Service Provider Contracts	Directly allocated to programs benefited by the provider services
Other Program Costs	Directly allocated or allocated based upon full time employee time records at the location of the expenditure
Administrative Costs	Directly allocated if applicable or charged to the indirect cost pool
Indirect Costs	Allocated based upon the indirect cost rate negotiated with the Florida Department of Economic Opportunity

NOTE 7. FUNCTIONAL EXPENSES

The following is a schedule of the expenditures of the various employment programs for the fiscal year ended June 30, 2021:

Supplemental Nutrition and Assistance Program	\$ 60,139
21st Century Community Learning Centers	98,339
Welfare Transition	2,051,053
Workforce Innovation and Opportunity Act (WIOA) Cluster:	6,507,129
Apprenticeship USA State Expansion Grants	3,507
WIOA National Emergency	1,180,290
Wagner Peyser	602,669
Disabled Veterans Outreach Program	81,274
Local Veterans Employment Representative	36,090
Trade Adjustment Assistance	6,338
Collier County Work-Based Learning	60,448
Other Workforce Programs	572,984
	<u>\$ 11,260,260</u>

NOTE 8. EMPLOYEE BENEFIT PLAN

The Board maintains a flexible benefits plan that includes a 403(b) savings plan. All qualified employees are allocated an amount equal to 33% of the individual's annual salary. The employees can use the amount to purchase various benefit plans including health insurance, group term life insurance and other benefits. Employees may make voluntary contributions to the 403(b) plan.

NOTE 9. LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statement of financial position date of June 30, 2021 for general expenditures are as follows:

Cash and cash equivalents	\$2,765,043
Grant receivable	2,453
Total financial assets available	<u>\$2,767,496</u>

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

NOTE 10. NOTES PAYABLE

On May 19, 2019, the Board obtained a loan with Valley National Bank to refinance a loan with the U.S. Department of Agriculture, secured by and building and all personal property owned or acquired as part of the facility.. The loan of \$1,900,000, is secured by the building and has an interest rate of 4.95%. Payments of \$15,049 including interest are due monthly through May 2024.

At June 30, 2021, the scheduled principal and interest payments are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 96,788	\$ 83,806	\$ 180,594
2023	101,759	78,835	180,594
2024	106,784	73,810	180,594
2025	112,469	68,125	180,594
2026	118,246	62,348	180,594
2027	124,318	56,276	180,594
2028	130,569	50,025	180,594
2029-2034	922,736	145,778	1,068,514
Total	<u>\$ 1,713,669</u>	<u>\$ 619,003</u>	<u>\$ 2,332,672</u>

NOTE 11. LINE OF CREDIT

The Board has entered into a revolving line of credit agreement with a bank in the amount of \$250,000, secured by substantially all of the Board's current assets, with a maturity date of July 20, 2021. The line carries an interest rate of .25% over the U.S. prime rate applying the rate over a 360 day year. At June 30, 2021 the rate was 3.25%. Interest is due monthly and the principal is due at maturity with all remaining interest. As of June 30, 2021, there was no outstanding balance due on the loan.

NOTE 12. RELATED PARTY TRANSACTIONS

The Board 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. At times, members of the Board of Directors hold key positions at companies and institutions which provide these services to participants in various Board programs. All contracts are 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. There were no related party transactions in the June 30, 2021 fiscal year.

NOTE 13. OPERATING LEASE COMMITMENTS

As lessee

The Board has entered into lease agreements for office rent. Total rent expense for the fiscal year ended June 30, 2021 was approximately \$1,722,439. The lessees have different expiration dates and may or may not be renewed. The Board has also entered into operating agreements for the rent of office equipment. Total rent expense for equipment for the fiscal year ended June 30, 2021 was \$24,141. Minimum future annual lease payments under these agreements for rent are as follows:

Year Ending June 30,		
2022	\$	1,325,217
2023		1,263,626
2024		1,301,249
2025		820,159
2026		844,269
Thereafter		2,688,286
	\$	<u>8,242,806</u>

As lessor

The Board has long-term operating lease agreements with unaffiliated lessees to occupy space in its offices and at the One-Stop Career Center. Minimum future annual rents receivable under non-cancelable leases that have remaining terms is as follows:

Year Ending June 30,		
2022	\$	304,035
2023		21,728
	\$	<u>325,763</u>

NOTE 14. GRANTS

Grants are subject to renewals and period amendments and require the fulfillment of certain conditions as set for the in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the contracts and their terms it has accommodated the objectives of the grantors to the provisions of these contracts.

Grants accounted for approximately 95% of revenues for the fiscal year ended June 30, 2021. Without these grants, the Board's ability to fund its programs would be greatly reduced.

NOTE 15. RECONCILIATION OF FINANCIAL RECORDS TO DEO'S SERA SYSTEM

The Florida Department of Economic Opportunity (DEO), the state agency that has oversight over the Board's grant programs, maintains a Subrecipient Enterprise Resource Application (SERA), which contains certain financial information relating to each of the Board's grant programs administered by DEO. The Board reconciles their financial records to the SERA system on a monthly basis. The year-to-date grant expenditure totals reported in the Board's financial statements are reconciled to SERA report totals.

NOTE 16. SUBSEQUENT EVENTS

In preparing these financial statements, Southwest Florida Workforce Development Board, Inc. has evaluated events and transactions for potential recognition or disclosure through December 21, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**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**

The Board of Directors
Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida (the Board) which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control over Financial Reporting

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

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

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

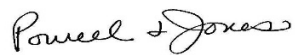
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
October 15, 2021

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

Board of Directors

Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida

Report on Compliance for Each Major Federal Program

We have audited Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida's major federal programs for the fiscal year ended June 30, 2021. Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida'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 federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida'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; 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 the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005. Those standards, the Uniform Guidance, and DEO 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 Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida'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 federal program. However, our audit does not provide a legal determination of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida's compliance.

Opinion on Each Major Federal Program

In our opinion, Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida 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, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest 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 program 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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
October 15, 2021

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grantor Contract Number	Federal Expenditures
United States Department of Labor			
Passed Through the State of Florida Department of Economic Opportunity			
Workforce Innovation and Opportunity Act (WIOA) Cluster:			
WIOA Adult	17.258	WIA20	\$ 32,432
WIOA Adult	17.258	WIA21	1,772,832
WIOA Emerging Initiatives – IT Industry	17.258,17.259,17.278	WIS18	2,275
WIOA - SFY19-20 Supplemental WIOA	17.258,17.259,17.278	WIS19	31,440
WIOA - Performance Incentives	17.258,17.259,17.278	WIS19	62,172
WIOA - COVID-19 PPE	17.258,17.259,17.278	WIS19	13,829
WIOA - Emerging Initiatives – IT Industry	17.258,17.259,17.278	WIS19	77,462
WIOA - Rural Initiatives	17.258,17.259,17.278	WIS19	62,500
WIOA - Emerging Initiatives - Foundational Skills	17.258,17.259,17.278	WIS20	429
WIOA - SFY20-21 Supplemental WIOA	17.258,17.259,17.278	WIS20	518,254
WIOA Youth	17.259	WIY20	1,040,173
WIOA Youth	17.259	WIY21	1,850,346
WIOA Youth	17.259	WIY22	30,482
WIOA Dislocated Worker	17.278	WID21	950,329
WIOA SFY19-20 Performance Incentives	17.278	WRS19	62,172
Total WIA /WIOA Cluster			<u>6,507,127</u>
WIOA-National Emergency COVID 19	17.277	WNC20	<u>1,180,290</u>
WIOA-Apprenticeship USA State Expansion	17.285	WEA18	<u>3,507</u>
Employment Service Cluster:			
Wagner Peyser	17.207	WPA20	13,957
Wagner Peyser	17.207	WPA21	584,487
Wagner Peyser SFY 17-18 Performance Incentives	17.207	WPB19	4,225
Disabled Veterans Outreach Program	17.801	DVP20	51,841
Disabled Veterans Outreach Program	17.801	DVP21	29,433
Local Veterans Employment Representative	17.801	LVR20	20,668
Local Veterans Employment Representative	17.801	LVR21	15,422
Total Employment Service Cluster			<u>720,033</u>
Trade Adjustment Assistance			
Case Management	17.245	TAC19	743
Training	17.245	TAT19	5,595
			<u>6,338</u>
Total U.S. Department of Labor			<u>8,417,295</u>

(Continued)

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grantor Contract Number	Federal Expenditures
United States Department of Agriculture			
Passed Through the State of Florida Department of Economic Opportunity			
Food Stamp Employment and Training			
Supplemental Nutrition and Assistance Program	10.561	FSH20	\$ 15,489
Supplemental Nutrition and Assistance Program	10.561	FSH21	44,650
Total United States Department of Agriculture			<u>60,139</u>
United States Department of Education			
Passed through the State of Florida Department of Education			
21st Century Community Learning Centers	84.287	849-2449B-9PCC1	26,969
21st Century Community Learning Centers	84.287	849-2449B-9PCC2	34,504
21st Century Community Learning Centers	84.287	849-2440B-0PCC1	33,420
21st Century Community Learning Centers	84.287	849-2440B-0PCC2	3,446
Total United States Department of Education			<u>98,339</u>
United States Department of Health and Human Services			
Passed Through the State of Florida Department of Economic Opportunity			
Temporary Assistance for Needy Families			
Welfare Transition	93.558	WTS20	168,642
Welfare Transition	93.558	WTS20	559,316
Welfare Transition	93.558	WTS21	1,323,095
Total United States Department of Health and Human Services			<u>2,051,053</u>
Total Federal Expenditures			<u>\$ 10,626,826</u>

See notes to Schedule of Expenditures of Federal Awards.

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of Southwest Florida Workforce Development Board, Inc. d/b/a/ CareerSource Southwest Florida (the Board) and is presented on the accrual basis of accounting, the same basis of accounting used for grant reporting.

The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

NOTE 2. SUBRECIPIENT

CareerSource Southwest Florida provided federal awards to a subrecipient as follows during the year ended June 30, 2021:

Program Title	Federal CFDA Number	Amount Provided
Wagner-Peyser	17.207	\$ 15,690
Disabled Veterans Outreach Program	17.801	1,779
Local Veterans Employment Representative	17.801	833
Supplemental Nutrition Assistance Program	10.561	227
WIOA Adult	17.258	8,752
WIOA Youth	17.259	25,363
WIOA Dislocated Worker	17.278	5,563
National Emergency COVID 19	17.277	1,164
Temporary Assistance for Needy Families	93.558	5,616
21st Century Community Learning Centers	84.287	3,250
		<u>\$ 68,237</u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

NOTE 3. ALLOCATION OF WIOA FUNDING

Funds received from DEO grants under Contract numbers WIS18, WIS19 and WIS20 were allocated to Federal CFDA numbers as follows:

	Federal CFDA Number	WIS18	WIS19	WIS20
WIOA Adult	17.258	\$ 705	\$ 81,643	\$ 165,979
WIOA Youth	17.259	705	81,643	165,979
WIOA Dislocated Worker	17.278	865	84,117	186,725
		<u>\$ 2,275</u>	<u>\$ 247,403</u>	<u>\$ 518,683</u>

NOTE 4. INDIRECT COST RATE

The Board did not elect to use the 10 percent de minimis indirect cost rate.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - 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? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

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 2CFR 200.516(a) No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	U.S. Department of Labor
	<i>Workforce Innovation and Opportunity Act (WIOA Cluster)</i>
17.258	Adult
17.259	Youth
17.278	Dislocated Worker

Dollar threshold to distinguish between type A and type B Federal Programs \$750,000

Auditee qualified as low-risk auditee? Yes

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

None