

**SOUTHWEST FLORIDA WORKFORCE  
DEVELOPMENT BOARD, INC.  
d/b/a CAREERSOURCE SOUTHWEST FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.**  
**d/b/a CAREERSOURCE SOUTHWEST FLORIDA**  
**FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	15-16
Notes to Schedule of Expenditures of Federal Awards	17
INDEPENDENT AUDITOR'S REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
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 <i>Government Auditing Standards</i>	18-19
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	20-21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS	22



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida (a nonprofit organization) (the "Board"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows, for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2023, the changes in its net assets and its cash flows for the fiscal 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board 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**

The Board's 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 the Board'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 GAAS 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 GAAS, 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 the Board'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 the Board'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. 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 are not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

November 28, 2023

## **FINANCIAL STATEMENTS**

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.**  
**d/b/a CAREERSOURCE SOUTHWEST FLORIDA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**

**ASSETS**

Current assets:

Cash	\$ 2,391,521
Accounts receivable	2,404
Grant receivable	33,612
Prepaid expenses	71,575
Total current assets	<u>2,499,112</u>

Property and equipment:

Land and building	2,497,600
Leasehold improvements	1,060,759
Right to use leased property	8,187,901
Data processing equipment	488,703
Furniture and fixtures	375,584
Office equipment	27,171
Total Property and equipment	<u>12,637,718</u>

Less:

Accumulated depreciation	(3,348,543)
Accumulated amortization right to use leased property	<u>(6,221,614)</u>
Net property and equipment	<u>3,067,561</u>

Long-term assets:

Unamortized loan costs, net	21,621
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Total assets	<u>\$ 5,588,294</u>
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**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	673,417
Accrued wages and benefits	119,325
Deferred grant revenue	791,058
Current portion - leases payable	1,306,115
Current portion - note payable	101,759
Total current liabilities	<u>2,991,674</u>

Long-term liabilities:

Leases payable	992,290
Note payable	1,413,374
Total Long-term liabilities	<u>2,405,664</u>

Net assets without donor restrictions	<u>190,956</u>
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Total liabilities and net assets	<u>\$ 5,588,294</u>
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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, 2023**

Revenues and support without donor restrictions:	
Grant revenue	12,231,725
Rent revenue	433,809
Other income	<u>87,003</u>
Total revenues	<u>12,752,537</u>
Expenses:	
Program	11,529,985
Management and general	<u>1,139,239</u>
Total expenses	<u>12,669,224</u>
Change in net assets without donor restrictions	<u>83,313</u>
Net assets without donor restrictions, beginning of year	107,643
Net assets without donor restrictions, end of year	<u>\$ 190,956</u>

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, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Payroll/Benefits	\$ 5,924,890	\$ 537,132	\$ 6,462,022
Facilities	1,127,379	449,550	1,576,929
Operational	1,635,364	148,089	1,783,453
Training	2,842,352	4,468	2,846,820
Total expenses	<u>\$ 11,529,985</u>	<u>\$ 1,139,239</u>	<u>\$ 12,669,224</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, 2023**

Cash flows from operating activities:	
Change in net assets	\$ 83,313
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	1,228,178
(Increase)/Decrease in:	
Accounts receivable	(2,404)
Grants receivable	(14,888)
Prepaid expenses	427
Increase/(Decrease) in:	
Accounts payable	149,853
Accrued expenses	(1,554)
Deferred revenue	(280,970)
Net cash provided by operating activities	<u>1,161,955</u>
Cash flows from investing activities:	
Acquisition of fixed assets	<u>(33,351)</u>
Net cash (used) by investing activities	<u>(33,351)</u>
Cash flows from financing activities:	
Lease payments	(1,265,478)
Loan repayment	<u>(101,758)</u>
Net cash (used) by financing activities	<u>(1,367,236)</u>
Total increase in cash and cash equivalents	<u>(238,632)</u>
Cash and cash equivalents, Beginning of year	2,630,153
Cash and cash equivalents, End of year	<u>\$ 2,391,521</u>
Supplemental disclosure of cash flow information	
Interest	<u>\$ 165,041</u>

See notes to financial statements

**SOUTHWEST FLORIDA WORKFORCE DEVELOPMENT BOARD, INC.**  
**d/b/a CAREERSOURCE SOUTHWEST FLORIDA**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF OPERATIONS**

Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida (the “Board” or the “Organization”) is a not-for-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 for 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.

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 and 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 Program (LVER) - The LVER program provides job development, placement, and support services directly to 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. The Board is responsible for developing and implementing an area plan and subgranting funds to direct providers of services.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### 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, 2023, 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 nonoperating activities for the year ended June 30, 2023.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### 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, 2023.

### Loans and Financing Costs:

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

### Income Taxes

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, 2021 through June 30, 2023.

### Cash and Cash Equivalents

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

### 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, 2023, 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.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fixed Assets (Continued)

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, 2023.

### Deferred Revenue

Deferred revenue represents grant money which has 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.

### Cost allocations

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and management and general costs. Such allocations are determined by management on an equitable basis. The Organization records costs that can be directly identified as benefiting a specific 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 3 – GRANTS RECEIVABLE

At June 30, 2023, grants receivable consists of the following:

<u>Program</u>	<u>Amount</u>
WIOA Youth	15,378
WIOA Rapid Credentialing Program	2,586
WIOA National Emergency Grants	4,155
Disabled Veterans Outreach Program	5,570
Supplemental Nutrition Assistance Program	5,443
Other	480
<b>Grants Receivable</b>	<b><u>\$ 33,612</u></b>

### NOTE 4 – 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, 2023, deferred revenue consisted of the following:

<u>Program</u>	<u>Amount</u>
WIOA Dislocated Worker	\$ 137,539
WIOA Adult	166,130
WIOA Youth	55,746
Wagner Peyser	163,298
Welfare Transition	6,526
Other	261,819
<b>Deferred Revenue</b>	<b><u>\$ 791,058</u></b>

### NOTE 5 – PREPAID EXPENSES

Prepaid expenses at June 30, 2023, consist of the following:

Prepaid utilities	\$ 2,257
Prepaid incentive cards	14,025
Prepaid rent	55,000
Prepaid other	293
<b>Total</b>	<b><u>\$ 71,575</u></b>

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 \$14,025 at June 30, 2023.

## NOTE 6 – PROPERTY AND EQUIPMENT

A schedule of property and equipment at June 30, 2023 follows:

<u>Asset</u>		<u>Useful Lives</u> <u>In Years</u>
<b>Asset not depreciated:</b>		
Land	\$ 25,000	-
<b>Assets depreciated:</b>		
Building	2,472,600	40
Leasehold improvements	1,060,759	5
Office Equipment	27,171	5
Data Processing Equipment	488,703	5
Furniture and Fixtures	375,584	5
	<u>4,449,817</u>	
Less: Accumulated Depreciation	<u>(3,348,543)</u>	
Depreciated assets net of depreciation	<u>\$ 1,101,274</u>	
<b>Right-to-use leased property:</b>		
Leased buildings	8,187,901	
Less accumulated depreciation	<u>(6,221,614)</u>	
Right-to-use leased property net of depreciation	<u>1,966,287</u>	
Total assets net of depreciation	<u>\$ 3,067,561</u>	

Depreciation expense for the year ended June 30, 2023, totaled \$73,805. Amortization of the right to use leased property was \$1,152,518 for the year ended June 30, 2023.

## NOTE 7 – LEASES

### As Lessee

The Board has entered into certain lease agreements as lessee for the use of office space. The leases have different expiration dates and may or may not be renewed. As of June 30, 2023, the value of the lease liabilities was \$ 2,298,405. The Board is required to make on average a total monthly payment of \$96,043 on all the leases. The value of the right-to-use assets as of June 30, 2023 was \$8,187,901 with an accumulated amortization of \$6,221,614. Total lease payments made during the year ended June 30, 2023 was \$1,351,684.

The scheduled payments for years ending after June 30, 2023 are as follows:

Year ending June 30:	Principal	Interest	Total
2024	\$1,306,115	\$46,978	\$ 1,353,093
2025	659,412	13,686	673,098
2026	306,983	433,682	740,665
2027	25,895	49	25,944
Total	<u>\$ 2,298,405</u>	<u>\$ 494,395</u>	<u>\$ 2,792,800</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:	Total
2024	\$155,093
2025	78,438
2026	57,699
Total	<u>\$ 291,230</u>

## NOTE 8 – NOTE PAYABLE

On May 19, 2019, the Board obtained a loan from Valley National Bank in the amount of \$1,900,000 and with a fixed interest rate of 4.95%. The loan was obtained to refinance the mortgage loan with the U.S. Department of Agriculture which was secured by a building and all personal property owned or acquired when it was purchased. Payments of \$15,049 including interest are due monthly through May 2034.

At June 30, 2023, the scheduled principal and interest payments are as follows:

Year ending June 30:	Principal	Interest	Total
2024	\$108,321	\$72,273	\$ 180,594
2025	113,806	66,787	180,593
2026	119,569	61,024	180,593
2027	125,624	54,969	180,593
2028	131,985	48,608	180,593
2029-2034	915,828	133,006	1,048,834
Total	<u>\$ 1,515,133</u>	<u>\$ 436,667</u>	<u>\$ 1,951,800</u>

## NOTE 9 – LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statement of financial position date of June 30, 2023 for general expenditures are as follows:

Cash and cash equivalents	\$ 2,391,521
Accounts receivable	2,404
Grant receivable	<u>\$33,612</u>
Total financial assets available	<u>\$ 2,427,537</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 – GRANTS

Grants are subject to renewals and period amendments and require the fulfillment of certain conditions as set forth 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 96% of revenues for the fiscal year ended June 30, 2023. Without these grants, the Board's ability to fund its programs would be greatly reduced.

## NOTE 11 – 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 monthly. The year-to date grant expenditure totals reported in the Board's financial statements are reconciled to SERA report totals.



#### **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, 2023 fiscal year.

#### **NOTE 13 – LEGAL MATTERS**

In the ordinary course of business, the Board is subject to certain legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Board.

#### **NOTE 14 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Board. has evaluated events and transactions for potential recognition or disclosure through November 28, 2023, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**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, 2023**

<b>Federal Grantor/Pass Through Grantor/Cluster/Program</b>	<b>CFDA Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Labor</u></b>			
Passed through the State of Florida			
Department of Economic Opportunity			
Workforce Innovation and Opportunity Act (WIOA) Cluster			
WIOA- Adult Program			
WIOA Adult	17.258	\$ 7,856	\$ 2,104,123
WIOA Rural Initiatives Adult	17.258	-	48,750
Subtotal WIOA- Adult Program		7,856	2,152,873
WIOA- Youth Program			
WIOA Youth	17.259	4,094	1,425,939
WIOA Rural Initiatives Youth	17.259	-	43,750
Subtotal WIOA- Youth Program		4,094	1,469,689
WIOA - Dislocated Worker Program			
WIOA Dislocated Worker	17.278	5,494	1,531,140
WIOA Rural Initiatives Dislocated Worker	17.278	-	32,500
Subtotal WIOA- Dislocated Worker Program		5,494	1,563,640
Total WIOA Cluster		17,444	5,186,202
WIOA National Emergency Grants	17.277	7,282	4,526,045
Trade Adjustment Assistance	17.245	-	280
Unemployment Compensation	17.225	266	28,873
<b><u>U.S. Department of Labor</u></b>			
Passed through the State of Florida			
Department of Economic Opportunity			
Employment Service Cluster:			
Wagner Peyser	17.207	15,939	620,025
Disabled Veterans Outreach Program	17.801	3,467	100,999
Total Employment Service Cluster		19,406	721,024

**(Continued)**

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/Pass Through Grantor/Program</b>	<b>CFDA Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through the State of Florida Department of Economic Opportunity State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1,246	173,649
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through the State of Florida Department of Economic Opportunity Temporary Assistance to Needy Families	93.558	4,231	1,633,725
Total Expenditures of Federal Awards		<u>\$ 49,875</u>	<u>\$ 12,269,798</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**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 B – INDIRECT COST RATE**

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



**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  
Southwest Florida Workforce Development Board, Inc.  
d/b/a CareerSource Southwest Florida  
Fort Myers, 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, (a nonprofit organization) (the "Board"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

**Report on 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.

**Report on 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management, Board of Directors, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

November 28, 2023



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

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

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

We have audited Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida's (a nonprofit organization) (the "Board") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the fiscal year ended June 30, 2023. The Board'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, the Board 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 fiscal year ended June 30, 2023.

***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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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 the Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida 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 program. Our audit does not provide a legal determination of the Board'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 the Board's major federal programs.

***Auditor's Responsibility 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 Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida'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 GAAS, 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 the Board's compliance with the requirements of each of its major federal programs.

In performing an audit in accordance with GAAS, *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 the Board'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 the Board'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 the Board'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 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.

November 28, 2023

**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, 2023**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for each major federal awards program of Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida.
7. Dollar threshold for Type A programs was \$750,000. The programs tested as major programs include:

<u>Federal Program</u>	<u>CFDA Number</u>
WIOA National Emergency Grants	17.277
Temporary Assistance to Needy Families	93.558

8. Southwest Florida Workforce Development Board, Inc. d/b/a CareerSource Southwest Florida was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS**

None

**D. OTHER ISSUES**

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs.

No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.