

**CENTRAL FLORIDA REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2022

And Reports of Independent Auditor

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-2

FINANCIAL STATEMENTS

Statement of Financial Position3
Statement of Activities.....4
Statement of Cash Flows5
Notes to the Financial Statements 6-10

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards..... 11
Notes to the Schedule of Expenditures of Federal Awards 12

Report of Independent Auditor 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* 13-14

Report of Independent Auditor on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance 15-16

Schedule of Findings and Questioned Costs..... 17

Report of Independent Auditor

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") as of June 30, 2022, which comprise the statement of financial position and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, 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 schedule of expenditures of federal awards 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 our report dated January 18, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
January 18, 2023

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

ASSETS

Current Assets:

Cash	\$ 3,571,014
Grants receivable	1,164,254
Other receivable	75,198
Prepaid expenses and other current assets	833,835
Total Current Assets	5,644,301

Property and Equipment:

Leasehold improvements	2,039,577
Software	1,340,164
Data processing equipment	768,196
Vehicles	12,339
Total Property and Equipment	4,160,276
Less accumulated depreciation	(4,076,976)
Property and Equipment, Net	83,300

Deposits

Total Assets	\$ 5,826,799
---------------------	---------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 1,187,521
Accrued compensation	948,856
Grant advances	1,109,887
Deferred rent	144,687
Total Current Liabilities	3,390,951

Net Assets Without Donor Restrictions

Total Liabilities and Net Assets	\$ 5,826,799
---	---------------------

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

Revenues:	
Federal financial assistance	\$ 36,214,837
Contributions and other revenue	736,343
Interest income	6,859
Total Revenue	<u>36,958,039</u>
Expenses:	
Program services	33,543,572
Management and general	3,060,332
Total Expenses	<u>36,603,904</u>
Change in net assets	354,135
Net assets without donor restrictions, beginning of year	<u>2,081,713</u>
Net assets without donor restrictions, end of year	<u><u>\$ 2,435,848</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:

Change in net assets	\$ 354,135
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	55,847
Change in operating assets and liabilities:	
Grants and other receivables	841,300
Prepaid expenses and other current assets	70,252
Deposits	(211)
Accounts payable and accrued expenses	(20,578)
Accrued compensation	(269,801)
Grant advances	900,144
Deferred rent	35,683
Net cash flows from operating activities	<u>1,966,771</u>

Cash flows from investing activities:

Purchases of property, plant, and equipment	<u>(30,717)</u>
Net cash flows from investing activities	<u>(30,717)</u>

Net change in cash and cash equivalents	1,936,054
Cash and cash equivalents, beginning of year	<u>1,634,960</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,571,014</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2022

Note 1—Nature of the Organization

Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") was established on September 12, 1996 as a nonprofit organization to promote and enhance productive employment of individuals in the Florida counties of Orange, Seminole, Osceola, Lake, and Sumter ("Region 12"). The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996 consistent with the provisions of job training, job placement, and benefit services to the citizens of the five counties. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations.

The Organization is the grant recipient and grant administrator for the following grants in Region 12:

Welfare Transition Services ("WTS") – WTS programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

Workforce Innovation and Opportunity Act ("WIOA") – WIOA programs provide youth, unskilled 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.

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.

Supplemental Nutrition Assistance Program ("SNAP") – SNAP programs provide matching grants for administrative operating costs of the Supplemental Nutrition Assistance Program.

Disabled Veterans Outreach Program ("DVOP") – DVOP programs are designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

Local Veterans Employment Representative Program ("LVER") – LVER programs provide job development, placement and support services directly to veterans.

Reemployment and Eligibility Assessments ("RESEA") – RESEA grants provide funds to administer the program of reemployment and eligibility assessments for eligible workers through federal and state cooperation.

Trade Adjustment Assistance ("TAA") – TAA grants provide funding for the individuals who have lost jobs due to the export of those jobs.

Temporary Assistance for Needy Families ("TANF") – TANF provides cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services.

Youthbuild – The Youthbuild program combines educational, leadership, mentoring and hands-on work experience components to train youth in the construction industry fields.

National Emergency Grants – Hurricane Maria, COVID-19, and Opioid – The purpose of the National Emergency Grants 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.

Coronavirus Relief Fund – The purpose of the Coronavirus Relief Fund is to provide payments to cover necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 ("COVID-19").

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2022

Note 2—Summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All of the net assets of the Organization are classified as net assets without donor restrictions and are not subject to donor-imposed restrictions.

Revenue Recognition – Federal financial assistance revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received. There was no allowance for doubtful accounts recorded at June 30, 2022.

Functional Expenses and Cost Allocations – The costs of providing the various programs and other activities have been detailed in the schedule of functional expenses in the notes to the financial statements and summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided based on an approved cost allocation plan. These costs are allocated based on client information, staffing, and other applicable statistics. Indirect costs are allocated to all programs under a negotiated indirect cost rate.

Property and Equipment – Property and equipment is stated at cost and are defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 9 years. Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds from the sale of the assets therefrom, is subject to applicable regulations.

Deferred Rent – The Organization leases certain facilities under lease agreements that provide for rent abatement and escalating rental payments. Minimum base rent for these leases is recorded on a straight-line basis over the term of the lease and rent expense in excess of amounts paid is recorded as a deferred rent liability and amortized as a reduction in rent expense over the term of the lease.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and from state income taxes under similar provisions of the Florida Income Tax Code.

Concentration of Credit Risk – The Organization places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers all accounts at a single depository institution up to \$250,000.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of June 30, 2022, the Organization had a balance of approximately \$4,460,000 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
 NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 2—Summary of significant accounting policies (continued)

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments – The respective carrying values of certain on-balance sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, grants and other receivables, accounts payable and accrued expenses, accrued compensation, and grant advances.

Subsequent Events – The Organization has evaluated events and transactions through January 18, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note 3—Grants receivable

Grants receivable consist of the following due in less than one year as of June 30, 2022:

Program:

Temporary Assistance for Needy Families	\$ 906,041
WIOA Incentives	96,702
Wagner Peyser	79,114
Trade Adjustment Assistance	21,298
National Emergency - Opioid	15,210
WIOA Youth	12,662
Local Veterans' Employer Representative Program	11,691
Disabled Veterans' Outreach Program	10,617
Wagner Peyser Incentive	3,480
WIOA Rapid Response	2,984
Supplemental Nutrition Assistance Program	2,339
Reemployment and Eligibility Assessments	2,116
Grants receivable	<u>\$ 1,164,254</u>

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 4—Grant advances

Grant advances represent the excess of grant funds received over allowable costs incurred. Grant advances as of June 30, 2022 consist of the following:

Program:

WIOA Dislocated Worker	\$	466,770
Wagner Peyser		329,878
WIOA Adult		197,408
National Emergency - COVID-19		75,906
Trade Adjustment Assistance		25,520
National Emergency - Hurricane Maria		14,405
Grant advances	\$	<u>1,109,887</u>

Note 5—Leases

The Organization leases its corporate offices, one-stop centers and office equipment under operating leases, which expire at various dates through December 2024, including renewal options. Generally, the facility leases contain escalation clauses providing for annual increases in the monthly rents. The Organization is also obligated to pay a proportional share of the insurance, repairs, taxes and maintenance costs for the leased office space.

The following is a schedule, by year, of approximate future minimum lease payments required under operating leases that have initial or remaining lease terms in excess of one year:

Years Ending June 30.

2023	\$	1,098,489
2024		1,106,044
	\$	<u>2,204,533</u>

Rent expense for the year ended June 30, 2022 was \$1,638,516.

Note 6—Retirement plan

The Organization maintains a retirement plan in accordance with Section 403(b) of the IRC for all employees who have completed six months of service. Under the terms of the plan, the Organization makes contributions to the plan each year for each eligible employee in an amount equal to 100% of the employee's elective deferral, the total not to exceed 6% of eligible employee's annual salary. Total contributions by the Organization for the year ended June 30, 2022 were \$568,335.

Note 7—Related party transactions

The Organization recorded \$8,426,807 of tuition and other fees to entities that had employees on the Board of Directors during the year ended June 30, 2022.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 8—Schedule of expenses by function and nature

Expenses by function and nature for the fiscal year ended June 30, 2022 were as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries, benefits, and payroll taxes	\$ 13,864,495	\$ 2,078,252	\$ 15,942,747
Career and youth services	14,039,856	-	14,039,856
Professional services	1,059,981	361,208	1,421,189
Outreach	621,938	41,423	663,361
Facilities and maintenance	1,959,388	322,420	2,281,808
Information technology	1,254,305	149,215	1,403,520
Contractor fees	300,613	-	300,613
Staff development and capacity building	442,996	107,814	550,810
	<u>\$ 33,543,572</u>	<u>\$ 3,060,332</u>	<u>\$ 36,603,904</u>

Note 9—Liquidity and availability of resources

As of June 30, 2022, the following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

Financial assets at year-end:

Cash	\$ 3,571,014
Grants receivable	1,164,254
Other receivable	<u>75,198</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,810,466</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has the ability to make weekly cash draws against Florida Department of Economic Opportunity awards to support general program expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Note 10—Contingencies

Federal Grants and Questionable Costs – The Organization's operations are funded by grants through contracts from federal government agencies which are passed through the Florida Department of Economic Opportunity and the Orange County Department of County Commissioners. The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

Litigation – The Organization is party to various claims and legal actions arising in the ordinary course of business. Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Organization.

SUPPLEMENTARY INFORMATION

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title/Grant Number	Assistance Listing Number	Passed Through to Subrecipients	Federal Expenditures
United States Department of Agriculture:			
Passed through the State of Florida Department of Economic Opportunity:			
SNAP Cluster:			
Supplemental Nutrition Assistance Program	10.561	\$ -	\$ 218,930
Total SNAP Cluster		-	218,930
Total United States Department of Agriculture		-	218,930
United States Department of Labor:			
Passed through the State of Florida Department of Economic Opportunity:			
Employment Services Cluster:			
Wagner Peyser	17.207	-	2,216,520
Disabled Veterans' Outreach Program	17.801	-	188,001
Local Veterans' Employer Representative Program	17.801	-	216,556
		-	404,557
Total Employment Services Cluster		-	2,621,077
Reemployment and Eligibility Assessments	17.225	-	757,469
Trade Adjustment Assistance	17.245	-	75,754
COVID-19 National Emergency	17.277	-	6,331,799
National Emergency - Opioid	17.277	-	643,743
		-	6,975,542
National Emergency- Hurricane Maria	17.286	-	310,995
WIOA Cluster:			
WIOA Adult	17.258	-	6,872,540
WIOA Youth	17.259	-	4,845,071
WIOA Dislocated Worker	17.278	-	4,777,997
Total WIOA Cluster		-	16,495,608
Total United States Department of Labor		-	27,236,445
United States Department of Health and Human Services:			
Passed through the State of Florida Department of Economic Opportunity:			
Temporary Assistance for Needy Families (TANF)	93.558	-	6,842,336
Total United States Department of Health and Human Services		-	6,842,336
United States Department of Treasury:			
Passed through the Orange County Department of County Commissioners:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - LUO	21.027	-	817,590
Total United States Department of Treasury		-	817,590
Total Expenditures of Federal Awards		\$ -	\$ 35,115,301

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2022

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the “Organization”) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the 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”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditure are not allowable or are limited as to reimbursement.

Note 3—Reconciliation of financial records to the subrecipient enterprise resource application

The year-to-date grant expenditure totals reported in the Organization’s financial statements are reconciled to subrecipient enterprise resource application (“SERA”) report totals. Differences between the amounts reported in the Organization’s financial records and the reported totals in SERA occur frequently, since other costs from invoices received after the date of SERA reports may be recognized in the financial statements in accordance with the Organization’s normal month-end closing procedures.

Note 4—Indirect cost rate

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

Note 5—Cash assistance

All of the Organization’s federal awards were in the form of cash assistance for the year ended June 30, 2022.

OTHER REPORTS

Report of Independent Auditor 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

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, 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 Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 January 18, 2023.

Report on Internal Control Over Financial Reporting

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

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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cherry Bekaert LLP

Orlando, Florida
January 18, 2023

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Florida Regional Workforce Development Board's, Inc. d/b/a CareerSource Central Florida (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and 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 Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the 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 Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 Organization'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 Organization'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 this limitation, 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.

Cherry Bekaert LLP

Orlando, Florida
January 18, 2023

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2022

Section I. Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards Section

Internal control over major programs:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families

Dollar threshold used to determine Type A and Type B Programs \$1,053,459

Auditee qualified as low-risk auditee? yes no

Section II. Schedule of Financial Statement Findings

None reported for the year ended June 30, 2022.

Section III. Federal Award Findings and Questioned Costs

None reported for the year ended June 30, 2022.

Section IV. Prior Year Findings

There were no prior year findings reported.