

2019

CareerSource North Florida

Financial Statements

For Fiscal Year Ended June 30, 2019

CAREERSOURCE NORTH FLORIDA

**FINANCIAL STATEMENTS, SUPPLEMENTAL
INFORMATION AND
INDEPENDENT AUDITOR'S REPORTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
CareerSource North Florida
Madison, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of CareerSource North Florida (the Organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Board of Directors
CareerSource North Florida
Madison, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Organization, as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The schedule of expenditures and 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.

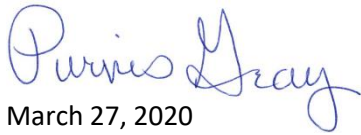
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020, 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 solely to describe the scope of our testing of internal control over

Board of Directors
CareerSource North Florida
Madison, Florida

INDEPENDENT AUDITOR'S REPORT

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.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 27, 2020
Ocala, Florida

**CAREERSOURCE NORTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

This discussion and analysis of the financial performance of CareerSource North Florida (the Organization) provide an overview of financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The following are various financial highlights:

- Overall net position decreased by \$38,037.
- Unrestricted net position at June 30, 2019, was \$352,346.
- The Organization incurred total expenses for the year of \$2,116,323, compared to revenues of \$2,075,655.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**CAREERSOURCE NORTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Governmental Fund Financial Statements

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

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

CONDENSED FINANCIAL INFORMATION

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

	Net Position	
	2019	2018
Net Position		
Assets		
Non-Capital Assets	\$ 752,245	\$ 540,090
Capital Assets, Net	253,742	294,067
Total Assets	<u>1,005,987</u>	<u>834,157</u>
Liabilities		
Current Liabilities	600,926	393,009
Non-Current Liabilities	52,715	50,765
Total Liabilities	<u>653,641</u>	<u>443,774</u>
Net Assets		
Net Investment in Capital Assets	253,742	294,067
Unrestricted	98,604	96,316
Total Net Position	<u>\$ 352,346</u>	<u>\$ 390,383</u>

**CAREERSOURCE NORTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

		Net Position	
		2019	2018
Changes in Net Position			
General Revenues			
Federal Grants		\$ 2,075,655	\$ 2,238,295
Other Revenues		2,631	19,137
Total Revenues		<u>2,078,286</u>	<u>2,257,432</u>
Program Expenses			
Administration and Program Indirect		179,785	174,033
Training and Support		1,936,538	1,795,035
Total Expenses		<u>2,116,323</u>	<u>1,969,068</u>
Changes in Net Position		(38,037)	288,364
Beginning Net Position		<u>390,383</u>	<u>102,019</u>
Ending Net Position		<u>\$ 352,346</u>	<u>\$ 390,383</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$2,075,655 in program revenues, \$2,631 of general revenues, and incurred \$2,116,323 of program expenses. This resulted in a decrease in net position of \$38,037.

General Fund

The fund balance of the General Fund has increased by \$2,287 from \$96,316 to \$98,603. There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use.

BUDGETARY HIGHLIGHTS

- General Fund. The original budget was based on funding projections and included all funding expected to be available. During the year, the budget is amended as funding commitments are received. Finally, the final budgets are reduced for estimates of amounts to be carried forward to subsequent years. During the year, the General Fund budgeted expenditures did not increase or decrease. Actual expenditures were \$2,050,975 less than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

**CAREERSOURCE NORTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Debt Administration

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

ECONOMIC FACTORS

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

CONTACTING FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

CAREERSOURCE NORTH FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2019

Assets	
Cash and Cash Equivalents	\$ 254,182
Grants and Contracts Receivable	495,494
Deposits	<u>2,569</u>
Total Current Assets	<u>752,245</u>
Capital Assets, Net	<u>253,742</u>
Total Assets	<u><u>1,005,987</u></u>
Current Liabilities	
Account Payable and Accrued Expenses	108,981
Unearned Revenue	<u>491,945</u>
Total Current Liabilities	<u>600,926</u>
Long-Term Liabilities	
Compensated Absences	<u>52,715</u>
Total Long-Term Liabilities	<u><u>653,641</u></u>
Net Position	
Invested in Capital Assets	253,742
Unrestricted	<u>98,604</u>
Total Net Position	<u><u>\$ 352,346</u></u>

See notes to financial statements.

**CAREERSOURCE NORTH FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs Governmental Activities	Program Expenses		Program Revenue		Net (Expenses) Revenue and Changes in Net Position
	Direct	Indirect	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Economic Environment					
Job Training and Placement	\$ 1,936,538	\$ 179,785	\$ 2,075,655	\$ -	\$ (40,668)
Total Governmental Activities	<u>\$ 1,936,538</u>	<u>\$ 179,785</u>	<u>\$ 2,075,655</u>	<u>\$ -</u>	<u>(40,668)</u>
			General Revenues		
				Other	2,631
			Total General Revenues and Transfers		<u>2,631</u>
			Change in Net Position		(38,037)
			Net Position, Beginning of Year		<u>390,383</u>
			Net Position, End of Year		<u>\$ 352,346</u>

See notes to financial statements.

**CAREERSOURCE NORTH FLORIDA
BALANCE SHEET
GENERAL FUND
JUNE 30, 2019**

	General Fund
Assets	
Cash and Cash Equivalents	\$ 254,182
Grants and Contracts Receivable	442,779
Deposits	2,569
Total Assets	699,530
 Liabilities and Fund Balance	
Liabilities	
Accounts Payable and Accrued Expenses	108,982
Unearned Revenue	491,945
Total Liabilities	600,927
Fund Balances	
Unassigned	98,603
Total Fund Balances	98,603
Total Liabilities and Fund Balance	699,530
 Amounts reported for governmental activities in the statement of net position are different because:	
Grants receivable recorded for compensated absences.	52,716
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	253,742
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds compensated absences.	(52,715)
Net Position of Governmental Activities	\$ 352,346

See notes to financial statements.

CAREERSOURCE NORTH FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenues	
Grants	\$ 2,075,655
Other Income	2,631
Total Revenues	2,078,286
Expenditures	
Personnel Related	939,626
Program Costs	354,765
Occupational Training and Stipends	293,011
Facilities and Maintenance	139,171
Program Administration and General Insurance	137,243
Staff Travel and Development	95,455
Supportive Services	62,195
Participant Incentives and OJT Training	36,451
Technology Support	14,574
Capital Outlay	3,508
(Total Expenditures)	2,075,999
Excess of Revenue Over Expenditures	2,287
Fund Balances, Beginning of Year	96,316
Fund Balances, End of Year	\$ 98,603

See notes to financial statements.

**CAREERSOURCE NORTH FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Amounts Reported for Governmental Activities are Different Because:

Net Change in Fund balance - Government Fund	\$	2,287
<p>The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlay		-
Depreciation		(40,324)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the decrease in accrued compensation absences for the current period.</p>		
		(1,950)
Grant Revenue Accrued for Expenditure of Compensated Absences		<u>1,950</u>
Change in Net Position of Governmental Activities	\$	<u><u>(38,037)</u></u>

See notes to financial statements.

**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Basis of Presentation

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

Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

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

**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Budgets and Budgetary Process

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

Functional Allocation of Expenses

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

Fund Balance

Governmental funds report separate classifications of fund balance.

■ **Non-Spendable**

The non-spendable fund balance classification includes amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

■ **Restricted**

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

■ **Committed**

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

■ **Assigned**

Assigned fund balance is defined as amounts that are constrained by the intent of the Organization's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The Organization has given the authority to assign fund balance to the Executive Director. Assigned fund balance includes spendable fund balance amounts established by the Executive Director that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be: (a) made for a specific purpose that is narrower than the general purpose of the government itself, and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Executive Director. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

■ **Unassigned**

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

CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

Accounting Estimates

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

Accounts Receivable

The Organization's accounts, grants, and contracts receivable consist mainly of amounts receivable from governments and governmental agencies for grants and appropriations. The Organization considers its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Property and Equipment

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

Pension Plan

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

Cash

The Organization pools cash resources of its various programs to facilitate the management of cash. Cash applicable to a particular program is readily identifiable. The balance in the pooled cash account is held at a bank that is a member of the State of Florida pool for pledging securities against fund deposits, and is available to meet current operating requirements. As a result, the Organization has no need for a policy regarding deposit custodial credit risk.

Prepaid Items

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

Vacation, Sick Leave, and Other Compensated Absences

The Organization's employees are entitled to certain compensated absences based on length of employment and other factors. With minor exceptions, compensated absences vest and are accrued when they are earned. Compensated absences are accrued at June 30, 2019, in the amount of \$52,715.

**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Fair Value of Financial Instruments

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

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

Postemployment Healthcare Benefits

The Organization does not provide postemployment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage, and no direct costs are incurred by the Organization.

NOTE 2 - GOVERNMENT-WIDE VS. FUND FINANCIAL STATEMENTS

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

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

Cost of Capital Assets	\$ 578,295
Accumulated Depreciation	<u>(324,553)</u>
	<u>\$ 253,742</u>

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

Compensated Absences	<u>\$ 52,715</u>
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Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to Statement of Activities - Amounts reported for governmental activities in the statement of activities are different because:

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

Current Year Expenditures for Capital Assets	<u>\$ -</u>
Current Year Depreciation Expense	<u>\$ 40,324</u>

An expenditure for compensated absences, and the corresponding revenue, is not reported in the governmental funds.

Compensated Absences	<u>\$ 1,950</u>
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**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Property and Equipment	\$ 595,593	\$ -	\$ (17,297)	\$ 578,296
Accumulated Depreciation	(301,526)	(40,325)	17,297	(324,554)
Property and Equipment, Net	<u>\$ 294,067</u>	<u>\$ (40,325)</u>	<u>\$ -</u>	<u>\$ 253,742</u>

NOTE 4 - LONG-TERM LIABILITIES

Long-term liabilities consist of compensated absences as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Compensated Absences	<u>\$ 50,765</u>	<u>\$ 1,950</u>	<u>\$ -</u>	<u>\$ 52,715</u>

NOTE 5 - PENSION PLAN

The Organization authorized and established a defined contribution benefit plan as governed by Section 403(b) of the Internal Revenue Code. All employees 18 years or older are eligible to participate.

Employees may contribute to the plan by entering into a salary reduction agreement with the Organization. The Organization currently matches employee contributions up to 5% of employee compensation and, at its sole discretion, may change the amount of employer contributions to be made to the plan for each plan year. The Organization's contributions to the plan vest to the employees over time to full vestment at the end of four years of employment. Employer contributions to the plan were \$29,630 for the year ended June 30, 2019.

NOTE 6 - OBLIGATION UNDER OPERATING LEASES

The Organization leases office space under contracts accounted for as operating leases. Total lease payments made during the period June 30, 2019, were \$95,395. Minimum future lease payments under these operating leases are as follows:

<u>Year Ended June 30,</u>	
2020	\$ 98,770
2021	85,309
2022	57,749
2023	57,749
2024	28,874
Thereafter	-

**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Reconciliation of the Organization's financial records to the expenditures reported in the Sub-Recipient Enterprise Resource Application (SERA) are required to be completed monthly by the Organization for all awards from the Department of Economic Opportunity (DEO). These reconciliations were completed as required, and the Organization's financial records agree to the reported expenditures in SERA for the year ended June 30, 2019.

NOTE 8 - COMMITMENTS, CONTINGENCIES, AND CLAIMS

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

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

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - RELATED-PARTY BALANCES AND TRANSACTIONS

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

Payments made for these services were as follows for the year ended June 30, 2019:

<u>Description</u>	<u>Paid</u>
Training Services	\$ 84,235

**CAREERSOURCE NORTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 - INCOME TAXES

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a non-profit corporation. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2019, 2018, 2017, and 2016 are subject to review and adjustment by the Internal Revenue Service. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2019. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events from the statement of financial position date to March 27, 2020 the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CAREERSOURCE NORTH FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Funds</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Grants	\$ 3,721,529	\$ 4,167,298	\$ 2,075,655	\$ (2,091,643)
Other Income	-	-	2,631	2,631
Total Revenues	<u>3,721,529</u>	<u>4,167,298</u>	<u>2,078,286</u>	<u>(2,089,012)</u>
Expenditures				
Direct	3,477,234	3,922,782	1,936,538	1,986,244
Indirect	244,295	244,516	179,785	64,731
(Total Expenditures)	<u>3,721,529</u>	<u>4,167,298</u>	<u>2,116,323</u>	<u>2,050,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(38,037)</u>	<u>(38,037)</u>
Fund Balances, Beginning of Year	<u>96,316</u>	<u>96,316</u>	<u>96,316</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 96,316</u>	<u>\$ 96,316</u>	<u>\$ 58,279</u>	<u>\$ (38,037)</u>

See notes to required supplementary information.

**CAREERSOURCE NORTH FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

A. - Budgetary Information:

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

CareerSource North Florida (the Organization) generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

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

B. - Excess of Appropriations Over Expenditures

Appropriations were greater than expenditures in the General Fund.

COMPLIANCE SECTION

**CAREERSOURCE NORTH FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
United States Department of Agriculture			
<i>Passed Through the Florida Department of Economic Opportunity</i>			
Supplemental Nutrition Assistance Program	10.561	FSH17	\$ 31,088
Supplemental Nutrition Assistance Program	10.561	FHS18	57,854
Total U.S. Department of Agriculture			<u>88,942</u>
United States Department of Labor:			
<i>Passed Through the Florida Department of Economic Opportunity</i>			
WIOA National Emergency Grants-Hurricane Michael	17.277	WNM 19	<u>13,624</u>
Employment Services Cluster			
Wagner-Peyser	17.207	WPA 18	30,660
Wagner-Peyser	17.207	WPA 19	6,362
Wagner-Peyser Performance Incentives 16-17	17.207	WPB 17	87,062
			<u>124,084</u>
Disabled Veterans' Outreach Program	17.801	DVP 18	2,331
Disabled Veterans' Outreach Program	17.801	DVP 19	5,689
			<u>8,020</u>
Total Employment Services Cluster			<u>132,104</u>
Reemployment Services and Eligibility Assessments	17.225	UCRE8	4,576
Reemployment Services and Eligibility Assessments	17.225	UCRE8	10,608
Unemployment Compensation	17.225	UCB19	4,071
Unemployment Compensation Reemployment Assistance Program	17.225	UCR18	3,984
			<u>23,239</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster			
WIOA Adult Program	17.258	WIA 18	172,486
WIOA Adult Program	17.258	WIA 19	142,224
			<u>314,710</u>
WIOA - Youth Activities	17.259	WIY 18	<u>409,022</u>
WIOA Dislocated Worker	17.278	WID 18	226,390
WIOA Rural Initiatives	17.278	WIS 17	187,500
WIOA - State Level Performance Incentives	17.278	WIS 16	362,317
			<u>776,207</u>
Total Workforce Innovation and Opportunity Act (WIA) Cluster			<u>1,499,939</u>

**CAREERSOURCE NORTH FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
United States Department of Labor			
<i>Passed Through the Florida Department of Economic Opportunity</i>			
Trade Adjustment Assistance	17.245	TAC 17	\$ 1,698
Trade Adjustment Assistance	17.245	TAC 17	172
Trade Adjustment Assistance	17.245	TAC 17	17,897
			<u>19,767</u>
Total U.S. Department of Labor			<u>\$ 1,688,673</u>
U.S. Department of Health and Human Services			
<i>Passed Through Florida Department of Economic Opportunity</i>			
Welfare Transition Program	93.558		78,374
Welfare Transition Program	93.558		216,070
Total United States Department of Health and Human Services			<u>294,444</u>
Total Federal Programs			<u>\$ 2,072,059</u>

**CAREERSOURCE NORTH FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards of CareerSource North Florida (the Organization) have been designed to conform to generally accepted accounting principles as applicable to governmental entities, including the reporting and compliance requirements described in the *OMB Compliance Supplement*, Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Reporting Entity

The reporting entity consists of the Organization the primary government. Management has determined that there are no component units.

Basis of Accounting

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards, under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTE 2 - INDIRECT COST RATE

For the year ended June 30, 2019, the Organization did not elect to use the 10% de Minimis indirect cost rate.

MANAGEMENT LETTER

Board of Directors
CareerSource North Florida
Madison, Florida

Report on the Financial Statements

We have audited the financial statements of the CareerSource North Florida (the Organization) as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated March 27, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 27, 2020, should be considered in conjunction with this management letter:

Additionally, our audit was conducted in accordance with:

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

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

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Board of Directors
CareerSource North Florida
Madison, Florida

MANAGEMENT LETTER

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. The special audit guidance provided by DEO requires disclosure in this management letter for those findings and observations not otherwise included in the aforementioned auditor's reports or schedule. In connection with our audit, we did not have any such findings, observations, or recommendations.

Official Title and Legal Authority

Section 10.550(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The financial reporting entity and the legal authority for the entity are described in Note 1 to the financial statements. The Organization does not have any component units.

Financial Condition and Management

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the Organization met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Organization did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Section 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Organization. It is management's responsibility to monitor the Organization's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

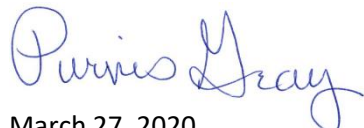
Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires use to communication non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, management and the Board of Directors of the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 27, 2020
Ocala, Florida

**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
CareerSource North Florida
Madison, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of CareerSource North Florida (the Organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated March 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 may exist that have not been identified.

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Board of Directors
CareerSource North Florida
Madison, Florida

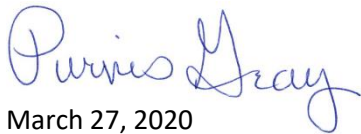
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



March 27, 2020
Ocala, Florida

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

Board of Directors
CareerSource North Florida
Madison, Florida

Report on Compliance for Each Major Federal Program

We have audited the Organization's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

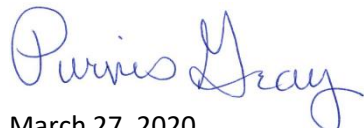
Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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 Award that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



March 27, 2020
Ocala, Florida

**CAREERSOURCE NORTH FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? No
- Significant deficiencies identified not considered to be material weaknesses? No

Non-compliance material to financial statements? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- Significant deficiencies identified? None Reported

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

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

Identification of Major Programs:

<u>Program Description</u>	<u>CFDA Number</u>
WIOA Cluster:	
WIOA Adult Program	17.258
WIOA Youth Activities	17.259
WIOA Dislocated Worker	17.278

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Financial Statement Findings None

Federal Award Findings and Question Costs None

INDEPENDENT ACCOUNTANT'S REPORT

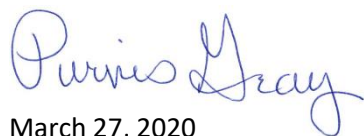
Board of Directors
CareerSource North Florida
Madison, Florida

We have examined CareerSource North Florida's (the Organization) compliance with Section 218.415, Florida Statutes, with regards to the investments of public funds during the fiscal year ended June 30, 2019. Management is responsible for the Organization's compliance with those requirements. Our responsibility is to express an opinion on the Organization's compliance based on our examination.

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

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2019.

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



March 27, 2020
Ocala, Florida

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