

AGENDA
CAREER SOURCE ESCAROSA
BOARD OF DIRECTORS
THURSDAY, APRIL 18, 2024
3:30 P.M.

LOCATION: 6913 N. 9TH Avenue | Pensacola, FL 32504
CALL IN: 872-242-8932 | CONF ID: 583 185 765#

- I. Call Meeting to Order** Chair, Board of Directors
- II. Call for Public Comment**
- III. Reading of Public Disclosures**..... Janay Sims
- IV. Approval of Agenda**
- V. Internal Audit Report** James Moore & Co., P.L.
- VI. Consent Agenda**
 - Minutes – January 25, 2024
- VII. Items for Consideration**
 - Amendments:
 - CSE Board of Directors Meeting Minutes – November 3, 2023
 - CSE By-Laws
 - Financial Expenditure and Budget Variances Reports
 - Annual Retirement Contribution
 - IT and MIS/RSO Contract Review and Selection
- Special Meeting of the Executive Committee Report (February 23, 2024)**
 - CSE Slate of Officers
- Information Items**
 - Letter to Baptist Health Care Regarding Contract Termination
 - Board Governance: Attendance and Vacancies
 - Chief Executive Officer’s Report
 - Items Pending with CLEO (Escambia County)
- VIII. Other Business**
- IX. Adjournment**

NEXT BOARD MEETING – JULY 18, 2024 | LOCATION: TBD

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA**

FINANCIAL STATEMENTS

JUNE 30, 2023

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa:

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa ("CareerSource Escarosa"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise CareerSource Escarosa's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Escarosa, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Escarosa 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Escarosa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Escarosa'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 CareerSource Escarosa's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

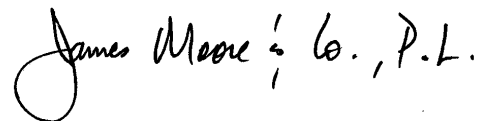
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Workforce Escarosa, Inc.'s basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 February 20, 2024 on our consideration of CareerSource Escarosa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 CareerSource Escarosa's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida
February 20, 2024

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Management is pleased to offer the following assessment of the operations of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (“CareerSource Escarosa”) for the year ended June 30, 2023.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CareerSource Escarosa’s basic financial statements. CareerSource Escarosa’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of CareerSource Escarosa’s finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all of CareerSource Escarosa’s assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of CareerSource Escarosa is improving or deteriorating.

The *statement of activities* presents information showing how CareerSource Escarosa’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CareerSource Escarosa uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CareerSource Escarosa maintains one fund, which is the general fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards. This schedule lists all Federal grants awarded to CareerSource Escarosa and the related expenditures for the fiscal year ended June 30, 2023.

Government-wide Financial Analysis *Condensed financial information* - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

Condensed Statements of Net Position

	2023	2022
Current assets	\$ 555,350	\$ 685,012
Capital assets, net	80,147	133,829
Right-to-use leased assets, net	4,221,883	4,510,387
Total assets	4,857,380	5,329,228
Current liabilities	638,787	980,703
Noncurrent liabilities	4,267,669	4,303,744
Total liabilities	4,906,456	5,284,447
Unrestricted	44,247	(37,381)
Net investment in capital assets	(93,323)	82,162
Net position	\$ (49,076)	\$ 44,781

Condensed Statements of Activities

	2023	2022
Program Revenues		
Operating grants and contributions	\$ 5,492,805	\$ 4,791,918
Total program revenues	5,492,805	4,791,918
General Revenues		
Other	64,324	16,676
Total revenues	5,557,129	4,808,594
Expenses		
Training, retraining, and adjustment	5,650,986	4,972,580
Change in net position	(93,857)	(163,986)
Net position, beginning of year	44,781	208,767
Net position, end of year	\$ (49,076)	\$ 44,781

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Financial Highlights

The liabilities of CareerSource Escarosa exceeded its assets at June 30, 2023, by \$49,076.

Governmental activities. Governmental activities decreased CareerSource Escarosa's net position by \$93,857. Key elements of this decrease are as follows:

The net loss for the year ending June 30, 2023, is due to the amortization of leases under GASB Statement No. 87 and other government-wide accruals not present in the governmental funds.

Capital Assets

Excluding right-to-use assets for leases under GASB Statement No. 87, *Leases*, CareerSource Escarosa experienced a decrease in capital assets. Decreases in capital assets during the year ended June 30, 2023, were related to the disposal of certain equipment and the depreciation of capital assets in the amount of \$53,682. CareerSource Escarosa had right-to-use assets for leases in the amount of \$4,221,883 net of accumulated amortization and lease liabilities in the amount of \$4,395,353 as of June 30, 2023.

Budgetary Highlights

CareerSource Escarosa is not legally required to adopt a budget. As such, budgetary exhibits are not presented.

Economic Factors

98% of the CareerSource Escarosa's revenues were generated from federal grants, most of which were passed through the State of Florida's Department of Commerce. Anything that could influence federal and state appropriations of these funds will have a direct impact on the Organization.

Debt Administration

CareerSource Florida Escarosa's long-term debt is its accrual for compensated absences and lease liability. Please refer to the notes accompanying financial statements entitled *Long Term Debt* and *Leases* for more detailed information about long-term debt activity.

Request for Information

This report is designed to provide a general overview of CareerSource Escarosa's finances for all those with an interest in CareerSource Escarosa's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa
6913 N. 9th Avenue
Pensacola, Florida 32504

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
STATEMENT OF NET POSITION
JUNE 30, 2023**

<u>ASSETS</u>	<u>Governmental Activities</u>
Current assets	
Cash and cash equivalents	\$ 388,682
Grant, contract and other receivables	162,928
Prepays	3,740
Total current assets	<u>555,350</u>
Non-current assets	
Capital assets, net of accumulated depreciation	80,147
Right-to-use leased assets, net of accumulated amortization	4,221,883
Total non-current assets	<u>4,302,030</u>
Total Assets	<u><u>\$ 4,857,380</u></u>
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 351,399
Unearned revenue	109,964
Compensated absences, current portion	7,461
Lease liability, current portion	169,963
Total current liabilities	<u>638,787</u>
Non-current liabilities	
Compensated absences, noncurrent portion	42,279
Lease liability, noncurrent portion	4,225,390
Total noncurrent liabilities	<u>4,267,669</u>
Total Liabilities	<u><u>\$ 4,906,456</u></u>
Net Position	
Net investment in capital assets and right-to-use leased assets	\$ (93,323)
Unrestricted	44,247
Total Net Position	<u><u>\$ (49,076)</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Functions and Programs</u>				
Governmental activities:				
Training, retraining and readjustment	\$ 5,650,986	\$ -	\$ 5,492,805	\$ (158,181)
Total governmental activities	<u>\$ 5,650,986</u>	<u>\$ -</u>	<u>\$ 5,492,805</u>	<u>(158,181)</u>
			General revenues:	
			Other	64,324
			Change in net position	<u>(93,857)</u>
			Net position, beginning of year, as restated	44,781
			Net position, end of year	<u>\$ (49,076)</u>

The accompanying notes to financial statements
are an integral part of this statement.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2023

	General Fund
Assets	
Cash and cash equivalents	\$ 388,682
Grant, contract and other receivables	162,928
Prepays	3,740
Total Assets	\$ 555,350
Liabilities	
Accounts payable and accrued expenses	\$ 351,399
Unearned revenue	109,964
Total liabilities	461,363
Fund Balance	
Nonspendable	3,740
Unassigned	90,247
Total fund balance	93,987
Total Liabilities and Fund Balance	\$ 555,350

The accompanying notes to financial statements
are an integral part of this statement.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Fund balances - total governmental fund	\$	93,987
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Total governmental capital assets	330,073	
Less: accumulated depreciation	(249,926)	80,147
Right-to-use leased assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Lease asset	4,725,989	
Accumulated amortization	(504,106)	
Lease liability	(4,395,353)	(173,470)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(49,740)	(49,740)
Net position of governmental activities	\$	(49,076)

The accompanying notes to financial statements are an integral part of this statement.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund
Revenues	
Grants and contracts	\$ 5,491,497
Other	65,632
Total revenues	5,557,129
Expenditures	
Advertising and marketing	7,764
Communications, systems and utilities	66,621
Direct program	2,076,648
Insurance	39,313
Noncapital furniture and equipment	35,475
Other	242,410
Personnel and benefits	2,243,709
Printing and supplies	65,961
Professional fees	106,325
Repairs and maintenance	107,429
Short-term lease	68,402
Debt service:	
Principal	166,701
Interest	247,876
Total expenditures	5,474,634
Excess (deficiency) of revenues over expenditures	82,495
Net change in fund balance	82,495
Fund balance, beginning of year, as restated	11,492
Fund balance, end of year	\$ 93,987

The accompanying notes to financial statements
are an integral part of this statement.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$	82,495
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.		
Changes in:		
Compensated absences		(867)
		<u>(867)</u>
Governmental funds report 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 and amortization expense. This is the amount of capital outlay and depreciation and amortization expense in the current period.		
Depreciation		(53,682)
Amortization		(288,504)
		<u>(342,186)</u>
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Long-term lease liability - repayment of principle		166,701
		<u>166,701</u>
Change in net position of governmental activities	<u>\$</u>	<u>(93,857)</u>

The accompanying notes to financial statements
are an integral part of this statement.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (“CareerSource Escarosa”), which affect significant elements of the accompanying basic financial statements:

(a) **Reporting entity**—CareerSource Escarosa is a nonprofit corporation established to provide for enhanced coordination, cooperation, and outcomes by and between the several entities, both public and private, which are involved at the local level in providing youth and adults with opportunities to develop and continuously upgrade their knowledge and skills in order to advance economically and socially throughout their lifetime, and in providing employers with the skilled workforce necessary to be competitive in local, state, national and/or international markets. CareerSource Escarosa was created to fulfill the duties and responsibilities provided for by the Workforce Investment Act (WIA) of 1998-Title 1, superseded by the Workforce Innovation and Opportunity Act of 2014 (WIOA), and the State of Florida Workforce Innovation Act of 2000 for the Region 5 Local Workforce Investment Area which is comprised of Escambia and Santa Rosa counties. The governing board of CareerSource Escarosa consists of thirty-seven members who are appointed by state and local officials.

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

(b) **Government-wide and fund financial statements**—The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of CareerSource Escarosa. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. CareerSource Escarosa has no business-type activities.

The Statement of Net Position reports CareerSource Escarosa’s financial position as of the end of the fiscal year. In this statement, CareerSource Escarosa's net position are reported in two categories: investment in capital assets and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the general fund, which is CareerSource Escarosa’s only fund.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Measurement focus and basis of accounting**—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 expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CareerSource Escarosa considers revenues to be available if they are collected within sixty 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 and claims and judgments, are recorded only when payment is due.

CareerSource Escarosa considers most revenues, such as reimbursement-based grant revenues and charges for service, to be susceptible to accrual and so they have been recognized as revenues in the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received. When both restricted and unrestricted resources are available for use, it is CareerSource Escarosa's policy to use restricted resources first, then unrestricted resources as they are needed.

Major Governmental Fund—The sole governmental fund used by CareerSource Escarosa is the general fund, which is used to account for all financial activity of CareerSource Escarosa.

(d) **Cash and cash equivalents**—Cash and cash equivalents of CareerSource Escarosa are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) **Grants and other receivables**—Grants and other receivables consist of amounts due from grantor agencies for reimbursement of expenditures under various programs. Management has concluded that realization of losses on balance outstanding at year-end will be immaterial.

(f) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded when consumed rather than when purchased.

(g) **Unearned revenues**—Unearned revenues are comprised of amounts received from grantor agencies by CareerSource Escarosa prior to meeting revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for unearned revenues is reduced and revenue is recognized.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Capital assets**— Capital assets are defined by CareerSource Escarosa as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. Depreciation of capital assets is computed using the straight-line method over estimated useful lives as follows:

Assets	Years
Leasehold improvements	30
Equipment	5–10
Vehicles	5

(i) **Leases**—CareerSource Escarosa leases building facilities and determines if an arrangement is a lease at inception. CareerSource Escarosa recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the CareerSource Escarosa’s right to use an underlying asset for the lease term and lease liabilities represent CareerSource Escarosa’s obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirement will not be considered short term: the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement or CareerSource Escarosa is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be CareerSource Escarosa’s incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. CareerSource Escarosa’s IBR was 5.50% at June 30, 2021, and was the discount rate utilized for applicable leases beginning July 1, 2021 and applicable lease conversions.

The CareerSource Escarosa’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(j) **Budgets**—The general expenditure authority of CareerSource Escarosa, as provided by Sections 445.004 and 445.007 of the Florida Statutes, does not require a legally adopted budget placed into public law. Accordingly, the budgetary comparison schedules for governmental funds have not been presented as supplementary information required by the Governmental Accounting Standards Board.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Use of estimates**—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(l) **Compensated absences**—Eligible employees earn paid time off at varying rates based upon length of employment. Paid time off is accrued as earned by employees and recorded as an expense in the period earned. The total accumulated paid time off is paid out to eligible employees at termination.

(m) **Net position flow assumption**—Sometimes CareerSource Escarosa will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Escarosa’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(n) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which CareerSource Escarosa is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the Bylaws, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

Assigned—Amounts that are designated by CareerSource Escarosa Directors for a specific purpose but are not spendable until a budget ordinance is passed by CareerSource Escarosa Directors.

Unassigned—All amounts not included in other spendable classifications.

(o) **Revenues and expenditures/expenses**—Generally, revenue is received from the State of Florida, Department of Commerce and is earned on a cost reimbursement basis.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **Income taxes**— The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Since the Organization had no taxable unrelated business income during the year ended June 30, 2023, no provision for income taxes is provided in the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheets and the government-wide statements of net position**—Following the governmental fund balance sheets is a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statements of net position. The details of these differences are explained in the above referenced financial statements.

(b) **Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statements of activities**—Following the governmental fund statements of revenues, expenditures, and changes in fund balance, there is a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statements of activities. The details of these differences are explained in the above referenced financial statements.

(3) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, CareerSource Escarosa’s deposits may not be returned. At year end, the carrying amount of deposits was \$388,682 and the bank balance was \$574,168. Of the bank balance, \$250,000 was insured up to Federal Deposit Insurance Corporation (“FDIC”) limits.

(4) **Retirement Plan:**

CareerSource Escarosa sponsors a defined contribution 401(k) profit sharing plan which covers substantially all employees. The amount of retirement expense for the year ended June 30, 2023, was \$61,755.

(5) **Unearned Revenue:**

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the June 30, 2023, unearned revenue from grant drawdowns made prior to meeting all requirements was \$109,964.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(6) **Capital Assets:**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 07/01/22	Increases	Decreases	Balance 06/30/23
Furniture, fixtures and equipment	\$ 330,073	\$ -	\$ -	\$ 330,073
Total capital assets	330,073	-	-	330,073
Less accumulated depreciation	(196,244)	(53,682)	-	(249,926)
Capital assets, net	<u>\$ 133,829</u>	<u>\$ (53,682)</u>	<u>\$ -</u>	<u>\$ 80,147</u>

Depreciation expense was \$53,682 the year ended June 30, 2023.

(7) **Leases:**

CareerSource Escarosa has leases in effect for buildings with terms ending from 2023 through 2040. The buildings are considered a right-to-use assets of CareerSource Escarosa. For disclosure purposes, this lease excludes ancillary costs included in the lease, such as utilities.

As of June 30, 2023, total lease related assets and the related accumulated amortization, disclosed separately from other capital assets as follows:

	Balance 07/01/22	Increases	Decreases	Balance 06/30/23
Right-to-use leased assets	\$ 4,798,891	\$ -	\$ (72,902)	\$ 4,725,989
Less accumulated amortization	(288,504)	(215,602)	-	(504,106)
Right-to-use leased assets, net	<u>\$ 4,510,387</u>	<u>\$ (215,602)</u>	<u>\$ (72,902)</u>	<u>\$ 4,221,883</u>

The amortization expense for right-to-use leased assets was \$288,504 and the interest expense for lease liabilities was \$247,876 for the year ended June 30, 2023.

The principal and interest requirements to maturity for the lease liability as of June 30, 2023 is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 169,963	\$ 217,783	\$ 387,746
2025	188,873	247,697	436,570
2026	196,555	198,762	395,317
2027	140,306	225,880	366,186
2028	178,078	199,094	377,172
2029 - 2033	1,131,429	824,213	1,955,642
2034 - 2038	1,643,930	447,108	2,091,038
2039 - 2040	746,219	38,468	784,687
Total future minimum lease payments	<u>\$ 4,395,353</u>	<u>\$ 2,399,005</u>	<u>\$ 6,794,358</u>

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

(8) **Long-term Liabilities:**

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>07/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/23</u>	<u>Due in</u> <u>one year</u>
Governmental activities					
Lease liability	\$ 4,562,054	\$ -	(166,701)	\$ 4,395,353	\$ 169,963
Compensated absences	48,873	867	-	49,740	7,461
Total Long-term liabilities	<u>\$ 4,610,927</u>	<u>\$ 867</u>	<u>\$ (166,701)</u>	<u>\$ 4,445,093</u>	<u>\$ 177,424</u>

(9) **Contingencies:**

Grant Programs - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although CareerSource Escarosa expects such amounts, if any, to be immaterial.

(10) **Related Parties:**

Certain board members are employees of entities that provide services either directly or indirectly to CareerSource Escarosa. The board members that are affiliated with these entities do not directly benefit as they do not hold higher positions and are not directly involved in the daily operations. Amount payable to related parties at June 30, 2023 were \$27,377. The total amount of services provided for the year ended June 30, 2023, is as follows:

Education	\$ 298,952
Utilities	277,654
Information Technology	7,800
Total	<u>\$ 584,406</u>

(11) **Risk Management:**

CareerSource Escarosa is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which CareerSource Escarosa carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property
- Public Officials' Liability

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(12) **Employee Leasing Organization:**

CareerSource Escarosa utilizes the services of an employee leasing service for staffing purposes. The employee leasing service does not provide employee benefits, including life insurance and 401(k) plan participation. All expenses associated with the services provided by the employee leasing service are shown as salaries and employee benefits on the Statement of Activities.

(13) **Significant Funding Source:**

CareerSource Escarosa receives a substantial amount of its funding from the United States Department of Labor passed through the State of Florida, Department of Commerce (69%), and from the United States Department of Health and Human Services passed through the State of Florida, Department of Commerce (27%). A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on CareerSource Escarosa's programs and activities.

(14) **Subsequent Events:**

CareerSource Escarosa has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 20, 2024, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(15) **Restatement of Beginning Equity:**

Subsequent to issuance of the June 30, 2022, financial statements, management became aware of the following errors: overstatement of unearned revenue for \$60,879 and an understatement of accounts receivable for grants for \$36,940. These effected both the governmental fund balance for the General Fund and the Governmental Activities beginning net position balance.

(16) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on CareerSource Escarosa's financial statements:

GASB issued Statement No. 101, Compensated Absences in June 2022. It aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. Generally, a liability for leave that has not been used would be recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Entity/ Federal Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identification Number	Federal Expenditures	Amount to Subrecipients
Department of Health and Human Services				
Passed through Florida Department of Commerce:				
Temporary Assistance to Needy Families	93.558	WTS22	\$ 682,441	\$ -
Temporary Assistance to Needy Families	93.558	WTS23	800,039	-
			1,482,480	-
Total Department of Health and Human Services			<u>1,482,480</u>	<u>-</u>
Department of Labor				
Passed through Florida Department of Commerce:				
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA23	117,472	-
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA22	42,304	-
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB23	85,713	-
Disable Veterans' Outreach Program (DVOP)	17.801	DVP22	43,293	-
Disable Veterans' Outreach Program (DVOP)	17.801	DVP23	28,268	-
Disable Veterans' Outreach Program (DVOP)	17.801	LVR22	19,050	-
Disable Veterans' Outreach Program (DVOP)	17.801	LVR23	44,846	-
Disable Veterans' Outreach Program (DVOP)	17.801	VPI22	35,786	-
Total Employment Service Cluster			<u>416,732</u>	<u>-</u>
Trade Adjustment Assistance	17.245	TAC20	1,193	-
Trade Adjustment Assistance	17.245	TAT20	3,840	-
Trade Adjustment Assistance	17.245	TAC21	636	-
Trade Adjustment Assistance	17.245	TAT21	11,709	-
Total Trade Adjustment Assistance			<u>17,378</u>	<u>-</u>
Unemployment Insurance	17.225	UCR21	30,642	-
Unemployment Insurance	17.225	UCR22	19,838	-
Total Unemployment Insurance			<u>50,480</u>	<u>-</u>
National Emergency Grants	17.277	WNS20	250,578	-
Total National Emergency Grants			<u>250,578</u>	<u>-</u>
WIOA Adult Program	17.258	WIA22	326,545	-
WIOA Adult Program	17.258	WIA23	667,752	-
WIOA Adult Program	17.258	WIS22	157,559	-
WIOA Youth Activities	17.259	WIY22	467,094	418,967
WIOA Youth Activities	17.259	WIY23	409,061	396,091
WIOA Youth Activities	17.259	WIS22	157,559	-
WIOA Dislocated Worker Formulas Grants	17.278	WID22	605,113	-
WIOA Dislocated Worker Formulas Grants	17.278	WID23	33,732	-
WIOA Dislocated Worker Formulas Grants	17.278	WIS22	177,253	-
WIOA Dislocated Worker Formulas Grants	17.278	WIR22	11,384	-
WIOA Dislocated Worker Formulas Grants	17.278	WIR23	68,056	-
Total WIOA Cluster			<u>3,081,108</u>	<u>815,058</u>
Total Department of Labor			<u>3,816,276</u>	<u>815,058</u>
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH22	68,228	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH23	124,513	-
Total SNAP Cluster			<u>192,741</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>192,741</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,491,497</u>	<u>\$ 815,058</u>

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (“CareerSource Escarosa”) under programs of the federal government for the year ended June 30, 2023 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 CareerSource Escarosa it is not intended to and does not present the financial position, changes in net assets, or cash flows of CareerSource Escarosa.

(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 expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

CareerSource Escarosa has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**INDEPENDENT AUDITORS' 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***

To the Board of Directors,
Workforce Escarosa, Inc. d/b/a CareerSource Escarosa:

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 each major fund of Workforce Escarosa, Inc. ("CareerSource Escarosa") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise CareerSource Escarosa's basic financial statements, and have issued our report thereon dated February 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CareerSource Escarosa's internal control over financial reporting (internal control) as a basis for designing 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 CareerSource Escarosa's internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Escarosa'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.

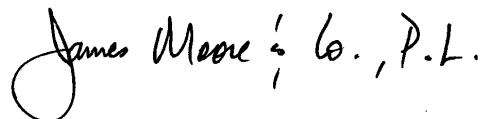
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CareerSource Escarosa'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 result 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.

James Moore & Co., P.L.

Tallahassee, Florida
February 20, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors,
Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Workforce Escarosa, Inc. (“CareerSource Escarosa”)’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 CareerSource Escarosa’s major federal programs for the year ended June 30, 2023. CareerSource Escarosa’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, CareerSource Escarosa 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the special audit guidance provided by the State of Florida Department of Commerce and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CareerSource Escarosa 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 CareerSource Escarosa’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to CareerSource Escarosa’s federal programs.

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and 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 CareerSource Escarosa'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 CareerSource Escarosa'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 CareerSource Escarosa's internal control over compliance. Accordingly, no such opinion is expressed.

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

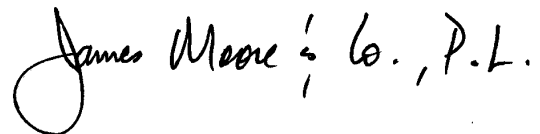
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
February 20, 2024

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

I. Summary of Auditors' Results:

Financial Statements

A. Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Types of auditors' report issued on compliance for major Federal programs: *Unmodified*

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

B. Identification of major programs:

Federal Program	Federal Assistance Listing Number
WIOA Cluster	17.258, 17.259, 17.278
TANF Cluster	93.558
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023
(Continued)**

II. Financial Statement Findings:

None.

III. Federal Award Findings and Questioned Costs:

None.

IV. State of Florida, Department of Commerce Reporting Requirements:

Workforce Escarosa, Inc. d/b/a CareerSource Escarosa performed reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Finding 2022-001: Material Adjustments

Status: Resolved.

February 20, 2024

To the Board of Directors of
Workforce Escarosa, Inc.:

We have audited the financial statements of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (the Organization) as of and for the year ended June 30, 2023, and have issued our report thereon dated February 20, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 23, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

In order to eliminate threats to independence related to non-attest services that we provide you, we have instituted a quality control review over all non-attest work. Also, in the engagement letter, we identified a person within your organization with the skills, knowledge and expertise to review our non-attest work on your behalf.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Use of restricted resources
- Improper use of journal entries

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements is:

Management's estimate of the depreciation expense is based on the underlying assets depreciation calculated using the straight-line method over the assets' useful lives. We evaluated the key factors and assumptions used to develop the estimate of depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Organization's financial statements relate to:

- Note 7 – Leases
- Note 10 – Related Parties
- Note 13 – Significant Funding Source

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We identified no significant unusual transactions as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or have obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. All misstatements identified were corrected by management.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's financial statements or the auditors' report. No such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We identified no circumstances that affect the form and content of the auditor's report as a result of our audit procedures.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter dated .

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

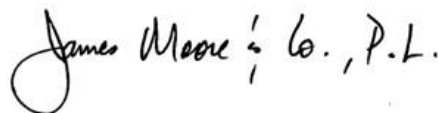
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of Workforce Escarosa, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



JAMES MOORE & CO., P.L.



February 20, 2024

James Moore & Co, P.L.
2477 Tim Gamble Place, Suite 200
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the basic financial statements of Workforce Escarosa, Inc., Inc. d/b/a Careersource Escarosa (“the Organization”), which comprise the statement of financial position as of June 30, 2023, and the related statement of governmental activities for the year ended June 30, 2023 and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of the Organization in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

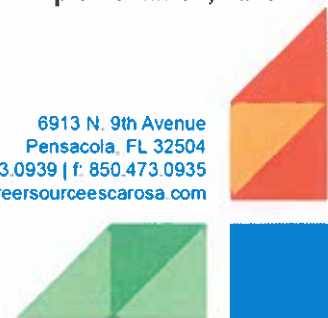
Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated September 23, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

6913 N. 9th Avenue
Pensacola, FL 32504
p. 850.473.0939 | f. 850.473.0935
careersourceescarosa.com



5. With regard to nonattest services performed by you, we acknowledge our responsibility to:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
11. All funds and activities are properly classified.
12. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13. All net position components and fund balance classifications have been properly reported.
14. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Special items and extraordinary items have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
22. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with The Uniform Guidance.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with The Uniform Guidance.

- c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
 - e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
 - f. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
23. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
24. With respect to the preparation of the financial statements and related notes and schedule of expenditures of federal awards and the data collection form, we have performed the following:
- a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services (Brenda Fewox, CFO);
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- 1. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

2. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
5. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
6. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
8. We identified and disclosed to you all information that we are aware of regarding litigation and claims whose effects should be considered when preparing the financial statements.
9. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
10. We have a process to track the status of audit findings and recommendations.
11. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
12. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
13. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
14. We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
15. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
16. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
17. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
18. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

19. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
20. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
21. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Single Audit

1.

With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
- b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- d. As part of your audit(s), you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual (Brenda Fewox) with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- e. The methods of measurement or presentation have not changed from those used in the prior period.
- f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- g. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- h. We have notified you of federal awards and funding increments that were received before December 26, 2014 (if any), and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- i. When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- j. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- k. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.

- l. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- o. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- p. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- t. We have issued management decisions for audit findings that relate to federal awards we make to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the FAC. Additionally, we have followed-up ensuring that the subrecipients have taken the appropriate and timely action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.
- u. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
- v. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the

status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- y. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- z. The reporting package does not contain personally identifiable information.
- aa. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- bb. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- cc. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.
- dd. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- a. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- b. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes [or disclose the changes made] have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance have occurred subsequent to the period covered by the auditor's report.
- c. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

M. McBride

Marcus McBride, Chief Executive Officer

M. Halili

Mariezel Halili, Chief Financial Officer

Brenda Fewox

Brenda Fewox, Chief Financial Officer

CareerSource Escarosa

BOARD OF DIRECTORS JANUARY 25, 2024 MINUTES

Members Participating: Kathaleen Cole (Chair), Lloyd Reshard (Secretary/Treasurer), Jeffrey Hondorp (Member-at-Large), Douglas Brown, Tawana Gilbert, Michael Listau, and Jerry Kersey, Jr.

Members Participating via virtual/teleconference: David Bouvin, Anthony Eman, Fred Genkins, Charlin Knight, Michele Kelson, Brianna Russ, and David Peaden

Members Not Participating: Jameson Cutchens and Shannon Ogletree

Ex-Officio Member Participating: Lani Burritt and Clara Long (virtual)

Others Participating: Dr. Marcus McBride, Mariezel Halili, Carol Bono, Brenda Fewox (virtual), Tarae Donaldson, Carolyn Fries, and Janay Sims – CareerSource Escarosa

Kathaleen Cole, Chair, called the meeting to order at 3:30 p.m. at the Pensacola Career Center (6913 N. 9th Avenue, Pensacola, FL 32504). Ms. Cole called the roll to confirmed a quorum present.

CALL FOR PUBLIC COMMENT

No public comments were noted.

READING OF PUBLIC DISCLOSURES

Janay Sims noted the public disclosure(s) from the November 3, 2023 CSE Board of Directors meeting.

APPROVAL OF AGENDA

The agenda was reviewed by the Board.

Action Taken: Motion by Lloyd Reshard and seconded by Charlin Knight to approve the agenda as printed. Motion carried. (14-Yeas/0-Nays).

CONSENT AGENDA: MINUTES – NOVEMBER 3, 2023

The CSE Board of Directors minutes for November 3, 2023, was made available to the board for review.

Action Taken: Motion by Douglas Brown and seconded by Jeffrey Hondorp to approve the November 3, 2023 Board of Directors minutes. Motion carried (14-Yeas/0-Nays)

ITEMS FOR CONSIDERATION

FINANCIAL EXPENDITURE AND BUDGET VARIANCES REPORTS

Reports of financial expenditures, budget and variances for the month ending December 2023, was made available to the board.

Funding grant awards due to expire, those with slow burn rates due to partner participation, and grant awards fully expended was noted. There has been no issues with NFA funding. There have been some

financial challenges due to some budgets ending. CSE do not expect total expenditure of the Apprentice Navigator grant.

Inquiry was made regarding the budget variance report – comments for line items 1, 5, & 9. Response to inquiry – the negative dollar amounts are due to open positions, retirement being underspent, and some over costs.

Action Taken: Motion by Charlin Knight and seconded by Douglas Brown to accept the Financial Expenditure and Budget Variances Reports for the month ending December 31, 2023. Motion carried. (14-Yeas/0-Nays)

ASSET DISPOSAL

A list of CSE assets to be disposed was made available to the board for review.

As Escarosa purchases new computers/equipment for staff or client use, there is a need to dispose of the old equipment. CSE retains some computers that are not broken or obsolete to use for parts and for new or temporary programs.

All disposal of property is in accordance with Uniform Guidance Part 200.313, and at the direction of the Board of Directors.

All operating systems, software and data have been wiped with DBAN to DOD standards. The working equipment will be given to a non-profit organizations.

Action Taken: Motion by Michael Listau and seconded by Lloyd Reshard to approve disposal of items on CSE's Asset Disposal List. Motion carried. (14-Yeas/0-Nays)

“GET THERE FASTER” GRANT REPORT | BAPTIST CUSTOMIZED TRAINING AGREEMENT

The “Get There Faster” grant program report, Baptist Customized Training Agreement, and program expenditures were made available to the board for review.

The “Get There Faster” grant training agreement with Baptist Health Care was to serve 168 eligible participants, identified as “At-Risk” Floridians, at a cost not to exceed \$828,000.00. The participants were to receive training in phlebotomy and medical assistance. Baptist Health Care was to be the employer for these participants with an entry wage minimum of \$12.62 per hour. Baptist’s intention was to offer permanent employment for successful graduates at minimum \$13.00 per hour from both training programs who meet all certification and background requirements.

There has been no outcomes nor success with the programs. Staff requested to cancel the agreement with Baptist Health Care. A balance of \$631,000.00 is unexpended on the grant. There was discussion of exploring other options of vendors and other training programs. Staff will confer with Florida Commerce regarding other training program options.

Action Taken: Motion by Douglas Brown and seconded by Tawana Gilbert to cancel the training agreement with Baptist Health Care by notification and explore other options for vendors. Motion carried. (14-Yeas/0-Nays)

UPDATE TO CSE’S ELIGIBLE TRAINING PROVIDER LIST

CSE's WIOA Eligible Training Provide List currently includes two programs offered by Nursing Bridges Institute – Nursing (RN) and Practical Nursing (LPN). It was brought to CSE's attention that Nursing Bridges was affected by the emergency ceasing of operations by the Florida Commission for Independent Education (CIE). Therefore, staff requested to have Nursing Bridges Institute removed from its CSE WIOA Eligible Training Provider List.

Action Taken: Motion by Charlin Knight and seconded by Lloyd Reshard to remove training provider, Nursing Bridges Institute, from CSE's WIOA Eligible Training Provide List. Motion carried. (14-Yeas/0-Nays).

APPLICATION FOR CSE'S ELIGIBLE TRAINING PROVIDER LIST

CSE received application to become a training provider from Innovak of Florida, Inc. dba My IT Future Institute (formerly New Horizons Computer Learning Center). The application was complete and included all required documents. It was noted this vendor is on other workforce boards' eligible training provider list, and has produced positive outcomes.

The application process to become a training provider, as outlined in the REACH Act was noted. Staff has reached out to the state and is waiting on feedback for directions. Workforce boards have been instructed to continue their application process as in the past until further noted.

Action Taken: Motion by Douglas Brown and seconded by Jeffery Hondorp to approve the training provider application from Innovak of Florida, Inc. dba My IT Future Institute (formerly New Horizons Computer Learning Center). Motion carried. (14-Yeas/0-Nays).

COMMITTEE REPORT

ADMINISTRATIVE PLAN REVIEW – NEW POLICY ON INSURANCE WAIVER BENEFITS

Changes/updates to CSE's Administrative Plan was made available to the board.

CSE has been operating by its current administrative plan, which was revised in 2020, but the revisions were tabled by the board until further clarity.

There is legislation that requires a system of policies. The committee identified to review the plan was not available, therefore staff reviewed the plan with recommended changes/updates as presented. The Code of Federal Regulations (CFR) – 2 CFR Part 200 dictated some of the changes. Dr. McBride welcomed the board to discussion and to raise concerns regarding the changes.

The new policy on Insurance Waiver Benefits was made part/inclusion of the CSE Administrative Plan,.

Action Taken: Motion by Lloyd Reshard and seconded by Tawana Gilbert to approve the recommended changes/revisions and the inclusion of the Policy on Insurance Waiver Benefits to CSE's Administrative Plan. Motion carried. (14-Yeas/0-Nays).

INFORMATION ITEMS

BOARD GOVERNANCE: ATTENDANCE AND VACANCIES

Information regarding board membership (attendance, vacancies, criteria for and responsibilities of membership) was made available to the board.

Dr. McBride thanked the board for their service. He informed of the Interlocal Agreement between CSE and the Boards of County Commissioners – Santa Rosa and Escambia Counties. He noted the vacant seats for Labor Union Organization representation and he being unable to recruit them. A request to assist in recruiting for this representation was made by Dr. McBride.

CHIEF EXECUTIVE OFFICER’S REPORT

Dr. McBride presented CSE’s newly promoted staff members: Tarae Donaldson, MPA, CWDB – Director of Career Services and One Stop Operations and Carolyn Fries – Director of Workforce Development.

He presented an employee sector reports presentation. He noted working with different targeted sectors, and that other sectors will be explored in the next state required plan.

ITEMS PENDING WITH CLEO (ESCAMBIA COUNTY)

Dr. McBride informed the board of the Florida’s REACH Act that will require local workforce development areas to form regional planning areas. For the Northwest Florida area, the collective area will include the Local Workforce Boards of CareerSource Escarosa, CareerSource Okaloosa-Walton, CareerSource Chipola and CareerSource Gulf Coast. It is an effort to develop, align and integrate strategies and resources to support regional economic growth.

A Resolution of Intent to Form a Regional Planning Area (known as the Northwest Florida Workforce Collective) requires the approval and signature of the Chief Local Elected Official (CLEO). CSE’s CEO has presented and provided the document to the designated CLEO for Region 1, Escambia County Board of Commission, to be reviewed and placed on its agenda for approval and signature. The signed document will need to go on CareerSource Florida’s next upcoming meeting agenda. All of the collective area Local Workforce Boards have completed signatures on their Resolutions with exception of CareerSource Escarosa. Omission from the collective area is not optional. To date, CSE’s designated CLEO has not placed the item on its meeting agenda. Dr. McBride solicited ideas from the board of ways to get the document moving forward. He informed that he and the CSE Board Chair would reach out again to the CLEO to get the document moving forward. Inquiry was made regarding a collective effort by the board. The Liaison for Escambia County suggested to the CEO that he directly place the item for review and approval on the County’s agenda. It was noted the REACH Act Realignment will be placed on the Governor’s agenda. The Liaison request that the CEO give her a call to discuss this matter.

OTHER BUSINESS

Chairperson Kathaleen Cole welcomed new member, David Peaden, to the CSE Board of Directors. All members and staff present introduced themselves.

Ms. Cole presented the below items to the board, noting the Executive Committee’s review and support of them.

- WIOA payment options for last pay versus first pay. An increase from \$7,000 to \$9,000.
- Maximum award amount for veterans of \$9,000 – for veterans training programs and OJTs.
- Increase OJTs from \$5,000 to \$7800 with \$15.00 minimum starting salary.

There being no further business, the meeting adjourned.

DRAFT

**CAREERSOURCE ESCAROSA
ACTION ITEM
AMENDMENTS TO
CSE BOARD OF DIRECTORS MINUTES – NOVEMBER 3, 2023
CSE BY-LAWS**

Date: April 18, 2024

ITEM FOR CONSIDERATION

The Department of Florida Commerce conducted its annual program monitoring review of CareerSource Escarosa, LWDB-01, March 25, 2024 – March 29, 2024. Management Process Review was one of the areas monitored and Local Board Governance/Merit Staffing Structure/Ethics/Financial Disclosure/Sector Strategies/Collection of Demographic Data were all included in the review. Areas identified and required corrections are as follows:

- **CSE Board of Directors Minutes – November 3, 2023**
There was a typo in the vote count on the item: **Individual Training Account Agreement – One Year Performance**. The vote count was 8-Yeas/0-Nays/2-Abstentions. The total members present/participating in the meeting was nine (9). The count needs to be amended to 7-Yeas/0-Nays/2-Abstentions.

- **CSE By-Laws**
The CSE By-Laws states, under **ARTICLE IV. MEETING OF DIRECTORS, Section 1. Notice:**
“A notice of each meeting of Directors shall be provided at least five (5) calendar days prior to the scheduled meeting to each Director at his/her address which may include e-mail addresses, as the case may be, as such appears on the records of the Corporation at the time any such notice is mailed. The notice shall state the purpose of the meeting, date, time, and place it is to be held. All meetings of the Board and its committees shall be open to the public.”

The monitor noted the five (5) calendar days notice should be, as required, a seven (7) calendar days notice. Therefore, CSE must amend its By-Laws to the seven (7) calendar days notice to bring into compliance.

RECOMMENDATIONS:

The CSE Board of Directors Meeting minutes for November 3, 2023, be amended to reflect a vote count of 7-Yeas/0-Nays/2-Abstentions under the item: **Individual Training Account Agreement – One Year Performance**.

The CSE By-Laws be amended, under **ARTICLE IV. MEETING OF DIRECTORS, Section 1. Notice**, to reflect a seven (7) calendar days notice.

**CAREERSOURCE ESCAROSA
ACTION ITEM
UPDATE/AMENDMENT
TO CSE BY-LAWS**

Date: April 18, 2024

ITEM FOR CONSIDERATION

ARTICLE III. BOARD MEMBERSHIP AND COMPOSITION, Section 4. Board Member Recruiting, Vetting and Nomination, paragraph 3, states:

Private sector membership is “balanced” by counties. The Chief Executive Officer will contact the general purpose business organization (FloridaWest or Santa Rosa Economic Development Council) from the county where a vacancy will occur/has occurred of the vacancy. The general purpose business organization will contact business leaders in their county (in targeted membership sectors) to solicit nominations. As part of the recruitment/nomination process, a Board Profile Sheet will be completed by each nominee. The general purpose business organization will use the Board Profile Sheet in their process for consideration and selection of a nominee. The general purpose business organization will submit their recommended nominee(s) to the CareerSource Escarosa Board of Director for review and selection prior to submitting to the Chief Local Elected Official for appointment consideration.

To reflect a board spectrum of nominations for board membership, CareerSource Florida Administrative Policy Number 091 expands the opportunity to professional organizations.

RECOMMENDATION:

The CSE By-Laws be updated/amended to reflect the opportunity for professional organizations to make nominations for CSE board membership.



CareerSource Escarosa
BUDGET VARIANCE REPORT
 February 29, 2024

TOTALS					
TOTAL AVAILABLE FUNDING					
Available Funding PY 2023-2024		5,108,028			
Carried Forward from PY 2022-2023		2,803,626			
New Funds Added PY 2023-2024		723,373			
Closed NFAs PY 2023-2024		(189,716)			
Deobligations PY 2023-2024		(5,000)			
Planned Carry Forward PY 2024-2025		0			
Transfers PY 2023-2024		0			
Total		8,440,311			
EXPENDITURES	ACTUAL EXPENDITURES	APPROVED BUDGET	BUDGET VARIANCE Under/(Over)	Expended FAVORABLE 66.67%	OVER-/UNDER
Board Admin Operating Costs (Indirect)	338,595	720,008	381,413	47.03%	-19.64%
Payroll & Benefits	199,914	387,316	187,402	51.62%	1
Facilities	19,082	27,851	8,769	68.51%	2
Equipment	1,848	2,707	859	68.27%	3
Operational Support	117,751	302,134	184,383	38.97%	4
Board Program Operating Costs Indirect	80,666	383,765	303,099	94.63%	52.96%
Payroll & Benefits	47,627	218,609	170,982	21.79%	5
Facilities	4,546	8,289	3,743	54.84%	6
Equipment	440	993	553	0.00%	7
Operational Support	28,053	155,874	127,821	18.00%	8
One Stop Centers, Program Management, WIOA Direct	2,315,563	4,180,844	1,865,281	55.39%	13.72%
Payroll & Benefits	1,147,751	2,581,400	1,433,649	44.46%	9
Facilities	472,742	655,335	182,593	72.14%	10
Equipment	110,209	123,000	12,791	89.60%	11
Operational Support	114,679	109,552	(5,127)	104.68%	12
DEO State Control	470,182	711,557	241,375	66.08%	13
Tuition, Training and Supportive Services Costs	274,544	852,056	577,512	32.22%	-34.45%
Tuition/Books/Supplies	221,957	744,755	522,798	29.80%	14
Supportive Services	41,027	86,501	45,474	47.43%	15
Supportive Services/ Transportation	11,560	20,800	9,240	55.58%	16
Contracted Service Costs	835,782	1,774,981	939,199	47.09%	-19.58%
Specialized Training (EWT, OJT, CET)	56,673	150,000	93,327	37.78%	17
Teen Pregnancy Prevention	166,225	0.00	(166,225)	0.00%	18
Youth Customer Services	307,252	776,041	468,790	39.59%	19
Work Experience/Internship Youth	204,802	353,207	148,405	57.98%	20
Summer Youth Employment Program	100,830	150,000	49,170	67.22%	21
Baptist Health Care GTF Floridian at Risk	0	345,733	345,733	0.00%	22
Total Expenditures	3,845,149	7,911,654	4,066,505	48.60%	-18.07%
Balance Available	4,595,162				
% of Funds Expended				FAVORABLE 66.67%	
OVER-/UNDER		\$ 528,657			



**BUDGET VARIANCE REPORT COMMENTS
FEBRUARY 29, 2024**

Line Item#	Comments
1, 5, & 9	▪ Includes salaries and benefits, employee cost, retirement under spent by - \$-729,591.45/-22.89% of the favorable 66.67%
2, 6, & 10	▪ Includes building rent, maintenance, cleaning, and utilities, over spent \$35,386.80/5.12% of the favorable 66.67%.
3, 7, & 11	▪ Includes equipment and software, overspent by 28,030.19/42.05% of the favorable 66.67%.
4, 8, & 12	▪ Includes items such as advertising, audit, bank, communication, consulting, copier, legal, cloud services, security guard, insurance, meetings, memberships, finance charge, postage, publication & subscriptions, equipment rental, office supplies, staff training, travel, outreach, job fairs, work verification, PEO fees, under spent \$-117,891.02/-20.77% of the favorable 66.67%.
13	▪ DEO merit staff salaries and benefits paid and controlled by the State Wagner Peyser DVOP and LVER, under spent \$-4,189.33/ -.59% of the favorable 66.67%.
14	▪ Expenditures are based on the number of customers determined eligible for ITA's under spent \$-274,546.71/-36.86% of the favorable 66.67%. The Budget includes the approved 40% of available Adult and Dislocated Workers program funds for ITA's in accordance with the DEO sliding scale calculation five-year average for PY2023. We are currently at 33.61 % of the Adult and Dislocated Workers program expenditures rate.
15	▪ Expenditures are based on the number of customers determined eligible for supportive services under spent \$-16,640.00/-19.24% of the favorable 66.67%.
16	▪ Transportation expenditures are under \$-2,306.67/-11.09% of the favorable 66.67%.
17	▪ The OJT providers/agreements under spent \$-43,327.06/-28.88% of the favorable 66.67%.
18	▪ Youth Teen Pregnancy Prevention Contracts expenditures are over spent \$166,225/100% had no budget is part of #21 budget the two combined overspent \$117,054.98 of the favorable 100.00%. this program ended August 2023.
19	▪ Youth Services Sub-Awards expenditures are underspent. ▪ \$-210,109.17/-27.07% of the favorable 66.67%.
20	▪ Youth Work Experience Sub-Awards expenditures are under - \$30,669.11/-8.68% of the favorable 66.67%.
21	▪ Summer Youth Employment Program expenditures are under spent \$49,170.02/32.78% of the favorable 100.00%, this program ended August 2023.
22	▪ Get There Faster At-Risk Floridians/ Baptist Health Care Contract expenditures are under spent \$-144,066.94/-41.67% of the favorable %.

- All funding combined the expenditures are under \$-1,429,287.21/ -18.07% of the favorable 66.67% of the budget.
- Funding not included in the budget \$650,744 is new funds added Florida Health Care Training \$458,336, WIOA Hope Program \$104,687, WP Hope Program \$73,282, and additional RESEA \$14,439, DVOP \$22,636 and LVER \$31,469.

CareerSource Escarosa
 Summary of Expenditures
 As of February 29, 2024

Program/ Project	NFA ID	Total Funds Available	FY 2023 -2024	Available Funds	Percent	Award
			Life-To-Date Expenditures	Remaining	Expended	End Date
Welfare Transition Program - Oct - June	041900	\$1,129,814.00	\$1,129,814.00	\$ -	100%	8/31/2023
Wagner Peyser	041588	\$164,704.23	\$164,704.23	\$ -	100%	9/30/2023
Supplemental Nutrition Assistance Program	041955	\$162,370.18	\$162,370.18	\$ -	100%	9/30/2023
Trade Adjustment Assistance-Trade Adjustment Assistance Training	041996	\$11,709.12	\$11,709.12	\$ -	100%	9/30/2023
Veterans Program-Veterans Incentives	043096	\$25,000.00	\$25,000.00	\$ -	100%	9/30/2023
Welfare Transition Program - July - September	042758	\$302,764.00	\$302,764.00	\$ -	100%	11/30/2023
Trade Adjustment Assistance-Trade Adjustment Assistance Case Management	041979	\$635.87	\$635.87	\$ -	100%	12/18/2023
Veterans Program-Disabled Veterans	041042	\$73,428.00	\$73,428.00	\$ -	100%	12/31/2023
Veterans Program-Local Veterans	041064	\$46,007.00	\$46,007.00	\$ -	100%	12/31/2023
Get There Faster Veterans and Military Spouses	040840	\$551,078.00	\$345,134.44	\$ 205,943.56	63%	6/30/2024
Get There Faster At-Risk Floridians	040896	\$1,037,828.00	\$426,756.62	\$ 611,071.38	41%	6/30/2024
WIOA - Youth	041363	\$870,776.00	\$870,776.00	\$ -	100%	6/30/2024
WIOA - Adult	041509	\$703,484.00	\$703,484.00	\$ -	100%	6/30/2024
WIOA - Dislocated Worker	041533	\$715,657.00	\$707,390.39	\$ 8,266.61	99%	6/30/2024
Apprenticeship Navigator	041672	\$62,500.00	\$62,500.00	\$ -	100%	6/30/2024
Rapid Response	042815	\$105,000.00	\$39,352.99	\$ 65,647.01	37%	6/30/2024
WP7B SFY23-24 Military Family Employment Advocacy Program	042891	\$81,417.00	\$41,504.44	\$ 39,912.56	51%	6/30/2024
Apprenticeship Navigator	042898	\$62,500.00	\$23,737.06	\$ 38,762.94	38%	6/30/2024
Welfare Transition Program - Oct - June	043227	\$908,292.00	\$406,485.45	\$ 501,806.55	45%	8/31/2024
RESEA	041930	\$58,290.00	\$58,290.00	\$ -	100%	9/30/2024
Wagner Peyser	042867	\$246,190.00	\$86,000.27	\$ 160,189.73	35%	9/30/2024
RESEA	043068	\$72,729.00	\$39,125.92	\$ 33,603.08	54%	9/30/2024
Supplemental Nutrition Assistance Program	043149	\$108,117.00	\$47,512.40	\$ 60,604.60	44%	9/30/2024
Veterans Program-Local Veterans	042201	\$81,152.00	\$81,152.00	\$ -	100%	12/31/2024
Veterans Program-Disabled Veterans	042332	\$72,494.00	\$72,494.00	\$ -	100%	12/31/2024
WIOA - Youth	042499	\$943,321.00	\$102,891.26	\$ 840,429.74	11%	6/30/2025
WIOA - Adult	042786	\$796,339.00	\$118,692.92	\$ 677,646.08	15%	6/30/2025
WIOA - Dislocated Worker	042839	\$579,370.00	\$20,919.49	\$ 558,450.51	4%	6/30/2025
Hope Florida – A Pathway to Promise	043019	\$73,281.50	\$0.00	\$ 73,281.50	0%	6/30/2025
Hope Florida – A Pathway to Promise	043043	\$104,687.30	\$0.00	\$ 104,687.30	0%	6/30/2025
Florida Healthcare Training	043147	\$458,336.00	\$0.00	\$ 458,336.00	0%	6/30/2025
Veterans Program-Local Veterans	043259	\$55,577.87	\$48,235.86	\$ 7,342.01	87%	12/31/2025
Veterans Program-Disabled Veterans	043313	\$42,135.00	\$31,653.78	\$ 10,481.22	75%	12/31/2025

CareerSource Escarosa		INDIRECT	PROGRAM SERVICES	FY 2024-2025 BUDGET	FY 2024 APPROVED BUDGET	VARIANCE
Provisional Budget 2024-2025						
	SALARIES	309,373	1,796,640	2,106,013	2,672,341	(566,328)
	EMPLOYEE COSTS	64,764	511,531	576,294	632,201	(55,907)
	BACKGROUND CHECKS	-	120	120	250	(130)
	RETIREMENT	18,763	57,722	76,484	152,209	(75,725)
	ADVERTISING	-	-	-	4,350	(4,350)
	AUDIT/TAX PREPARATION SERVICES	30,000	-	30,000	35,000	(5,000)
	BANK SERVICE CHARGES	-	3,500	3,500	7,000	(3,500)
	COMMUNICATIONS	2,065	69,240	71,305	60,519	10,786
	COPIER EXPENSES	238	4,214	4,453	2,922	1,531
	FURNITURE & EQUIPMENT	2,700	31,240	33,940	151,087	(117,147)
	INSURANCE	2,190	41,645	43,835	29,923	13,912
	LEGAL	1,500	-	1,500	10,000	(8,500)
	LICENSE/REGISTRATION RENEWALS	200	-	200	61	139
	MEETINGS, CONFERENCES	250	-	250	-	250
	MEMBERSHIPS	-	13,310	13,310	1,838	11,472
	POSTAGE	100	1,000	1,100	2,150	(1,050)
	PUBLICATIONS, SUBSCRIPTIONS, ETC.	-	12,750	12,750	8,436	4,314
	RENT	22,638	499,030	521,667	493,535	28,132
	EQUIPMENT RENTAL	1,600	8,483	10,083	11,760	(1,677)
	MAINTENANCE CONTRACTS	10,165	188,933	199,098	140,667	58,431
	SUPPLIES - GENERAL OFFICE	1,500	29,000	30,500	48,678	(18,178)
	SUPPLIES - CLEANING/MAINTENANCE	500	4,000	4,500	-	4,500
	STAFF TRAINING	1,500	16,000	17,500	19,307	(1,807)
	TRAVEL	20,000	79,930	99,930	30,069	69,861
	UTILITIES	2,190	49,560	51,750	42,896	8,854
	WEBSITE COSTS	-	10,000	10,000	6,000	4,000
	CLEANING SERVICES	2,344	55,686	58,030	47,340	10,690
	MAINTENANCE & REPAIRS	411	12,391	12,802	5,000	7,802
	OUTREACH	-	27,550	27,550	10,000	17,550
	COMPUTER NETWORK ALLOCATION MTDC EXCL	480	(480)	0	0	0
	COMPUTER NETWORK ALLOCATION	11,058	(11,058)	(0)	0	(0)
	PEO FEE	49,956	-	49,956	93,235	(43,279)
	TOTALS	556,484	3,511,938	4,068,422	4,718,774	(650,352)
	CLASSROOM SUPPLIES		2,500	2,500	67	2,433
	ETOP CLOTHES/UNIFORMS		1,400	1,400	0	1,400
	OTHER SUPPORT SERVICES		70,000	70,000	150,180	(80,180)
	TRANSPORTATION		20,600	20,600	20,800	(200)
	SUMMER YOUTH EMPLOYMENT PROGRAM		350,000	350,000	185,441	164,559
	TUITION & BOOKS		724,500	724,500	737,896	(13,396)
	ON THE JOB TRAINING		90,000	90,000	14,771	75,229
	EMPLOYED WORKER/CUSTOMIZED TRAINING		60,000	60,000	300,000	(240,000)
	WORK VERIFICATION SERVICES		15,000	15,000	11,480	3,520
	SUB-AWARDS		900,000	900,000	1,705,565	(805,565)
	TOTALS	-	2,234,000	2,234,000	3,126,200	(892,200)
	TOTAL EXPENDITURE	556,484	5,745,938	6,302,422	7,844,974	(1,542,552)

**CAREERSOURCE ESCAROSA
INFORMATION/ACTION ITEM
ANNUAL RETIREMENT CONTRIBUTION**

Date: April 18, 2024

INFORMATION ITEM

Escarosa' Fiscal Year 2023-2024 Budget approved by the Board on May 18, 2023, included a 2% annual retirement contribution for employees enrolled in the 401(k) plan as of December 31, 2018. This contribution is in addition to the matching contributions received by employees each pay period. The contribution is based on the employee's 2023 W-2 wages.

Excellere IT Services

1920 San Marco Blvd.

Jacksonville, Florida 32207

admin@excellere-it.com

813-336-2826

04/09/2024

Dear CareerSource,

I am writing this recommendation on behalf of our partner SwiftWorks Technology LLC.

Our engagement over the last year with SwiftWorks has focused on various engagements and projects. Recently supporting our customers for escalation engineering and expertise, they provide SME in multiple areas and far exceed our expectations. Our customers are always satisfied with the result, and we have only increased the amount of work we are doing with SwiftWorks. Currently they actively support one of our primary clients providing end-to-end network support and are providing escalation services for various other clients they support on our behalf.

SwiftWorks maintains top level experts and always operates with integrity and professionalism. Communication and timely response have been excellent with us and our clients. We look forward to our continued partnership with SwiftWorks Technology.

Please feel free to reach out directly if you have any questions.

Warm regards,



Charlie Burnett

Position: Partner

Excellere IT Services

Charlie.burnett@excellere-it.com – 904-923-0014

April 9, 2024

To Whom It May Concern:

I hope this letter finds you well. I am writing to share my experience working with SwiftWorks Technology and to offer my recommendation based on our collaboration at IHMC.

Our engagement with SwiftWorks Technology centered around a significant project involving the design and implementation of network architecture, specifically integrating Fortinet Enterprise Network Equipment into our new HRP research facility. From the outset, it was clear that SwiftWorks Technology approached the task with professionalism, expertise, and a genuine commitment to our needs.

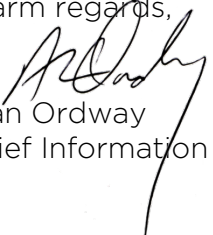
Over the course of 10 months, their team worked closely with us to develop a robust network infrastructure tailored to our requirements. Their attention to detail and proactive communication ensured that every aspect of the project was meticulously planned and we are currently in the implementation stage.

One of the standout qualities of SwiftWorks Technology was their dedication to providing end-to-end support. From the initial stages of consultation they have been accessible and responsive, addressing any concerns promptly and effectively. It was evident that they were invested in our success and went above and beyond to ensure a smooth implementation of the new network environment.

Based on our partnership with SwiftWorks Technology, I have no hesitation in recommending them for similar projects. Their technical proficiency, collaborative approach, and genuine commitment to customer satisfaction make them a valuable asset to any organization.

If you would like to discuss our experience in more detail or require further information, please feel free to reach out to me.

Warm regards,



Alan Ordway
Chief Information Officer



**CAREERSOURCE ESCAROSA
ACTION ITEM
SLATE OF OFFICERS**

April 18, 2024

Item for Consideration:

The CSE CEO was directed by the Executive Committee to poll the CSE membership for interest in serving on the Executive Committee. After reaching out to the membership, the following names were vetted to the Executive Committee for nomination:

- Lloyd Reshard – Chair
- Jerry Kersey – Vice Chair
- Douglas Brown – Secretary
- Jeffrey Hondorp – Member-at-Large
- David Peaden – Member-at-Large

Discussion/Recommendation

Approve the above nominations and/or consider nominations proposed by other members of the Board of Directors.

Kathaleen Cole
Board Chair

Marcus L. McBride, PhD
Chief Executive Officer



January 29, 2024

Christine Johnson, Vice President
Human Resources
Baptist Health Care
123 Baptist Way
Pensacola, FL 32502

Dear Ms. Johnson,

The CareerSource Escarosa Board of Directors voted on January 25, 2024, to terminate the below agreement, effective immediately:

**Agreement to Provide Customized Training
Between
Workforce Escarosa, Inc. dba CareerSource Escarosa
And
Baptist Health Care Corporation
Customize Training Targeted Industries 22-23**

The decision was based upon poor performance towards mutually agreed upon goals.

Thank you for the opportunity to partner with you in providing training and career opportunities in the healthcare industry, as this is vital to the community.

Best Regards,

A handwritten signature in blue ink that reads "Dr. Marcus L. McBride".

Dr. Marcus L. McBride
Chief Executive Officer

Cc: CSE Executive Committee
Attachment

6913 N. 9th Avenue
Pensacola, FL 32504
p: 850.473.0939 | f: 850.473.0935
careersourceescarosa.com



WORKFORCE ESCAROSA INC

Vendor Activity

From 7/1/2022 Through 1/22/2024

Vendor Name

Effective Date Document Number

Expenses Document Description

BAPTIST HEALTH CARE	6/29/2023	#0001	78,517.49	MEDICAL ASSISTANT/ PHEBTOMY TRAINING
BAPTIST HEALTH CARE	11/30/2023	0002	22,289.23	MEDICAL ASSISTANT INTERN AND PHEBOTOMY TECH INTERN
BAPTIST HEALTH CARE	11/30/2023	0003	15,646.67	PHEBOTOMY TECH INTERN

116,453.39

Total BAPTIST HEALTH CARE

116,453.39

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Christine Johnson, Vice President
Human Resources
Baptist Health Care
123 Baptist Way
Pensacola, FL 32502



9590 9402 8182 3030 9168 50

2. Article Number (Transfer from service label)

7022 3330 0000 2401 6810

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Michelle Sperry

Agent
 Addressee

B. Received by (Printed Name)

Michelle Sperry

C. Date of Delivery

2/5/24

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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Dr. Marcus McBride, CEO
CareerSource Escarosa
6913 N. 9th Avenue
Pensacola, FL 32404-6638

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FEB 06 2008

CareerSource Escarosa Board of Directors Membership Update

TOTAL VACANCIES: 7

Business Sector: 5 (Santa Rosa County – 2 | Escambia County – 3)

Labor Organization: 2

Business Sector Members (The majority of the local board membership) – 14 seats

Santa Rosa County: 2 - Vacancies

Escambia County: 3 - Vacancies

Filled Seats: 5 – Santa Rosa County

Filled Seats: 4 – Escambia County

Jerry Kersey, Jr.

Kathaleen Cole

Jameson Cutchens

Lloyd Reshard

Fred Genkins

Jeffrey Hondorp

David Bouvin

Anthony Eman

David Peaden

Workforce Sector Members (Not less than 20% of the board membership) – 3 seats

2 – Vacancies in Labor Organization

Filled Seats: 1 – Non-Labor Affiliated registered apprenticeship program (**Michele Kelson**)

Other Sector Members

Filled Seats:

1 – Adult Education/Literacy (**Charlin Knight**)

1 – Institution of Higher Education (**Michael Listau**)

1 – Economic and Community Development Entity (**Bridgette Price to replace Shannon Ogletree**)

1 – Vocational Rehabilitation (**Vacant – VR to supply a representative**)

*1 – Other entity that administers education and training activities, represents local educational agencies or community-based organizations that have expertise in addressing the education or training needs for individuals with barriers to employment.

(Kathaleen Cole)

1 – Community Services Block Grant (**Douglas Brown**)

Membership Terms Due to Expire – 2024

Member	Term Expiration	Area of Representation
Charlin Knight	August 23, 2024	Adult Education/Literacy
Jerry Kersey, Jr.	September 21, 2024	Business
Jameson Cutchens	September 21, 2024	Business
Fred Genkins	September 21, 2024	Business
David Bouvin	October 12, 2024	Business

Revised: 04.04.2024

*Dual service role (Business Sector)

PY 2023-2024
CareerSource Escarosa Board of Directors
Meeting Attendance

Member's Name	PY 2023-2024					
	07/20/2023	11/03/2023 (10/2023)	01/25/2024			
Anthony Eman	P	A	P			
Doug Brown	P	P	P			
Jeffrey Hondorp	A	P	P			
Kathaleen Cole	P	P	P			
Lloyd Reshard	P	A	P			
Michael Listau	P	A	P			
Michele Kelson	A	A	P			
Scott Luth	P					
Shannon Ogletree	A	A	A			
Charlin Knight	P	P	P			
Tawana Gilbert	P	P	P			
Jerry Kersey, Jr.	P	P	P			
Jameson Cutchens	P	P	A			
Fred Genkins	P	A	P			
David Bouvin	A	P	P			
Brianna Russ	P	P	P			
David Peaden		A	P			
Ex-Officio Member(s)						
Clara Long	A	A	P			
Lani Burritt	P	P	P			

ITEMS PENDING WITH THE CHIEF LOCAL ELECTED OFFICIAL
ESCAMBIA COUNTY
CSE'S DESIGNATED SIGNING AUTHORITY
FOR PY 2023-2024 (JULY 1, 2023 – JUNE 30, 2024)

Request For Appointment

Bridgette Price to replace Shannon Ogletree, who serves as economic development representative on the CareerSource Escarosa Board of Directors.

STATUS: On the BOCC's April 18, 2024 Meeting agenda.

Memorandum of Understandings with CareerSource Escarosa

Tri-County Community Council, Inc. (Partner)

The Florida Department of Education, Division of Vocational Rehabilitation (Partner)

STATUS: The BOCC has approved legal review of both MOUs. BOCC will execute the documents once signed by the partners.