

**AGENDA
CAREER SOURCE ESCAROSA
BOARD OF DIRECTORS
THURSDAY, JANUARY 30, 2025
3:30 P.M.**

**LOCATION: 6913 N. 9TH Avenue | Pensacola, FL 32504
CALL IN: 1-872-242-8932| CONF ID: 812 627 696#**

- 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. Presentation of FY23-24 Audit** Ben Clark, James Moorer and Company
- VI. Consent Agenda**
 - Minutes – October 17, 2024
- VII. Items for Consideration**
 - Financial Expenditure and Budget Variances Reports
 - Update to Administrative Plan – Payout Policy
 - Update to CSE By-Laws – CEO Performance Review/CLEO Review
 - Workforce Policies:
 - 091 – Local Workforce Development Board Composition and Certification
 - 110– Local Workforce Development Area and Board Governance
 - CareerSource Florida Ethics and Transparency
- Information Items**
 - Board Governance: Attendance and Vacancies
 - Chief Executive Officer’s Report
- VIII. Other Business**
- IX. Adjournment**

NEXT BOARD MEETING – APRIL 17, 2025 |LOCATION: TBD

January 6, 2025

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, 2024, and have issued our report thereon dated January 6, 2025. 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 the system 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 system of 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:

- Improper revenue recognition due to fraud;
- Improper use of grant funds and submitting for reimbursement on improper expenditures;
- Management override of internal controls.

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, 2024. 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.

Accounting estimates and related disclosures 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. We noted no significant accounting estimates.

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
- Note 15 – Restatement of Beginning Equity

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 also 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. There were no such uncorrected financial statement misstatements whose effect in the current period, as determined by management, were immaterial, both individually and in the aggregate, to the financial statements taken as a whole. See below for uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and to the applicable opinion units. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

- Entry to record subscription right of use asset and liability for \$21,700.

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. No such misstatements noted.

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 January 6, 2025.

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.

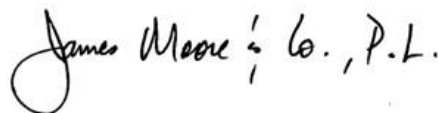
Other Significant Matters, Findings, or Issues

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.



Lloyd Reshard
Board Chair

Marcus L. McBride, PhD
Chief Executive Officer

January 6, 2025

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, 2024, and the related statement of governmental activities for the year ended June 30, 2024 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 letter 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 the system 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.
5. With respect to nonattest services performed by you, we have performed the following:
 - 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. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
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.

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careersourceescarosa.com



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. The effects of uncorrected misstatements summarized below and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
 - a. Entry to record subscription right of use asset and liability for \$21,700.
11. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in Government Accounting Standards Board (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.
14. All net position components and fund balance classifications have been properly reported.
15. 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.
16. 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.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Special items and extraordinary items have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. 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.
23. 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.
24. 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.

25. 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 and others 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 valuation 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 instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
8. We have no knowledge of instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
9. 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.
10. 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.
11. We have a process to track the status of audit findings and recommendations.
12. 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.
13. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
15. 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.
16. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

17. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
18. 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.
19. 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
20. 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.
21. 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.
22. 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 awards, we represent the following to you:
 - a. We are responsible for understanding and complying with, and have complied with, the 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).
 - 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 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.

Md McBride

Marcus McBride, Chief Executive Director

Mariezel Halili

Mariezel Halili, Chief Financial Officer

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

FINANCIAL STATEMENTS

JUNE 30, 2024

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
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JUNE 30, 2024**

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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, 2024, 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, 2024, 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* (GAS), 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 and GAS 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 and GAS, 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.

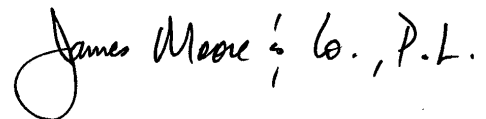
Supplementary Information

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 basic financial statements. The 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 January 6, 2025, 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
January 6, 2025

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024.

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, 2024
(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, 2024.

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

	2024	2023
Current assets*	\$ 568,819	\$ 628,116
Capital assets, net	4,180,717	4,302,030
Total assets	4,749,536	4,930,146
Current liabilities*	637,709	600,463
Noncurrent liabilities	4,122,290	4,267,669
Total liabilities	4,759,999	4,868,132
Unrestricted	115,251	155,337
Net investment in capital assets	(125,714)	(93,323)
Net position (deficit)	\$ (10,463)	\$ 62,014

Condensed Statements of Activities

	2024	2023
Program Revenues		
Operating grants and contributions	\$ 5,016,681	\$ 5,492,805
Total program revenues	5,016,681	5,492,805
General Revenues		
Other	3,686	64,324
Total revenues	5,020,367	5,557,129
Expenses		
Training, retraining, and adjustment	5,092,844	5,650,986
Change in net position	(72,477)	(93,857)
Net position, beginning of year*	62,014	155,871
Net position (deficit), end of year	\$ (10,463)	\$ 62,014

*2023 balances restated to reflect prior year effects of prior period restatement, see Note 15.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Financial Highlights

The liabilities of CareerSource Escarosa exceeded its assets at June 30, 2024, by \$10,463.

Governmental activities. Governmental activities decreased CareerSource Escarosa's net position by \$72,477. Key elements of this decrease are as follows:

The net loss for the year ending June 30, 2024, 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, 2024, were related to the depreciation of capital assets in the amount of \$63,947. CareerSource Escarosa had right-to-use assets for leases in the amount of \$4,048,205 net of accumulated amortization and lease liabilities in the amount of \$4,306,431 as of June 30, 2024.

Budgetary Highlights

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

Economic Factors

99.9% 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, 2024**

<u>ASSETS</u>	<u>Governmental Activities</u>
Current assets	
Cash and cash equivalents	\$ 294,974
Grant, contract and other receivables	238,166
Prepaid items	35,679
Total current assets	<u>568,819</u>
Non-current assets	
Capital assets, net of accumulated depreciation	4,180,717
Total Assets	<u><u>\$ 4,749,536</u></u>
<u>LIABILITIES AND NET POSITION (DEFICIT)</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 222,137
Interest payable	39,193
Unearned revenue	143,015
Compensated absences, current portion	7,383
Lease liability, current portion	225,981
Total current liabilities	<u>637,709</u>
Non-current liabilities	
Compensated absences, noncurrent portion	41,840
Lease liability, noncurrent portion	4,080,450
Total noncurrent liabilities	<u>4,122,290</u>
Total Liabilities	<u>\$ 4,759,999</u>
Net Position (Deficit)	
Net investment in capital assets	\$ (125,714)
Unrestricted	115,251
Total Net Position (Deficit)	<u><u>\$ (10,463)</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, 2024**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<u>Functions and Programs</u>				
Governmental activities:				
Training, retraining and readjustment	\$ 5,092,844	\$ -	\$ 5,016,681	\$ (76,163)
Total governmental activities	\$ 5,092,844	\$ -	\$ 5,016,681	(76,163)
		General revenues:		
		Other		3,686
		Change in net position		(72,477)
		Net position, beginning of year, as restated		62,014
		Net position (deficit), end of year		\$ (10,463)

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, 2024**

	General Fund
Assets	
Cash and cash equivalents	\$ 294,974
Grant, contract and other receivables	238,166
Prepaid items	35,679
Total Assets	\$ 568,819
Liabilities	
Accounts payable and accrued expenses	\$ 222,137
Unearned revenue	143,015
Total liabilities	365,152
Fund Balance	
Nonspendable for prepaid items	35,679
Unassigned	167,988
Total fund balance	203,667
Total Liabilities and Fund Balance	\$ 568,819

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, 2024**

Fund balances - total governmental fund		\$ 203,667
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, excluding right-to-use assets	5,285,233	
Less: accumulated depreciation and amortization	<u>(1,104,516)</u>	4,180,717
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Interest payable	(39,193)	
Compensated absences	(49,223)	
Lease liability	<u>(4,306,431)</u>	(4,394,847)
Net position (deficit) of governmental activities		<u><u>\$ (10,463)</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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund
Revenues	
Grants and contracts	\$ 5,016,681
Other	3,686
Total revenues	5,020,367
Expenditures	
Personnel and benefits	2,186,328
Advertising and marketing	15,736
Communications, systems and utilities	67,320
Printing and supplies	30,190
Short-term lease	21,909
Direct program	1,596,865
Insurance	7,194
Professional fees	100,506
Noncapital furniture and equipment	16,312
Repairs and maintenance	207,075
Other	235,325
Capital outlay	229,171
Debt service:	
Principal	198,484
Interest	222,221
Total expenditures	5,134,636
Excess (deficiency) of revenues over expenditures	(114,269)
Other financing source	
Lease (as leasee)	112,859
Net change in fund balance	(1,410)
Fund balance, beginning of year, as restated	205,077
Fund balance, end of year	\$ 203,667

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, 2024**

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

Net change in fund balances-total governmental funds		\$	(1,410)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Changes in:			
Compensated absences	517		
Interest payable	<u>(35,896)</u>		(35,379)
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.			
Capital outlay	229,171		
Depreciation	(63,947)		
Amortization	<u>(286,537)</u>		(121,313)
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	198,484		
Leases issued	<u>(112,859)</u>		85,625
Change in net position of governmental activities		<u>\$</u>	<u>(72,477)</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, 2024

(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 1 Local Workforce Investment Area which is comprised of Escambia and Santa Rosa counties. The governing board of CareerSource Escarosa consists of fourteen 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, 2024

(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, 2024**

(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, 2024

(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.

It is the CareerSource Escarosa’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

(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.

(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, 2024, 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 \$294,974 and the bank balance was \$501,187. 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, 2024, was \$57,015.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(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, 2024, unearned revenue from grant drawdowns made prior to meeting all requirements was \$143,015.

(6) **Capital Assets:**

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 07/01/23	Increases	Decreases	Balance 06/30/24
Furniture, fixtures and equipment	\$ 330,073	\$ 116,312	\$ -	\$ 446,385
Right-to-use leased assets	4,725,989	112,859	-	4,838,848
Total capital assets	5,056,062	229,171	-	5,285,233
Less accumulated depreciation	(249,926)	(63,947)	-	(313,873)
Less accumulated amortization	(504,106)	(286,537)	-	(790,643)
Capital assets, net	<u>\$ 4,302,030</u>	<u>\$ (121,313)</u>	<u>\$ -</u>	<u>\$ 4,180,717</u>

Depreciation expense was \$63,947 and amortization expense was \$286,537 the year ended June 30, 2024.

(7) **Leases:**

CareerSource Escarosa has leases in effect for buildings with terms ending from 2026 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. The stated interest rate on leases is 5.50%.

The amortization expense for right-to-use leased assets was \$286,537 and the interest expense for lease liabilities was \$222,221 for the year ended June 30, 2024.

The principal and interest requirements to maturity for the lease liability as of June 30, 2024 is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 225,981	\$ 251,231	\$ 477,212
2026	237,008	200,171	437,179
2027	143,787	225,896	369,683
2028	178,078	199,094	377,172
2029	199,726	188,761	388,487
2030 – 2034	1,222,831	759,707	1,982,538
2035 – 2039	1,766,151	353,646	2,119,797
2040	332,869	7,675	340,544
Total future minimum lease payments	<u>\$ 4,306,431</u>	<u>\$ 2,186,181</u>	<u>\$ 6,492,612</u>

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>07/01/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/24</u>	<u>Due in</u> <u>one year</u>
Governmental activities					
Lease liability	\$ 4,395,353	\$ 109,562	\$ (198,484)	\$ 4,306,431	\$ 225,981
Compensated absences	49,740	-	(517)	49,223	7,383
Total Long-term liabilities	<u>\$ 4,445,093</u>	<u>\$ 109,562</u>	<u>\$ (199,001)</u>	<u>\$ 4,355,654</u>	<u>\$ 233,364</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, 2024, were \$21,320. The total amount of services provided for the year ended June 30, 2024, is as follows:

Education	\$ 314,571
Utilities	350,280
Total	<u>\$ 664,851</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, 2024

(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 (71%), and from the United States Department of Health and Human Services passed through the State of Florida, Department of Commerce (29%). 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 January 6, 2025, 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, 2023, financial statements, management became aware of the following errors: Expenditures by fund in the year 2021 and 2022 were understated due to cost pools & indirect costs not being fully allocated to the final cost objectives (individual funds). Therefore, SERA expenditures during those years were understated causing an overstatement in unearned revenue by \$38,324 and an understatement of grants receivable by \$72,766, for a combined understatement of governmental fund balance and governmental net position by \$111,090.

(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:

- (a) GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(16) **Recent Accounting Pronouncements:** (Continued)

(b) GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. GASB Statement No. 102 amends GASB Statement No. 62 regarding the disclosure of a government's vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

(c) GASB issued Statement No. 103, Financial Reporting Model Improvements, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

(d) GASB issued Statement No. 104, Disclosure of Certain Capital Assets, in September 2024. The standard introduces requirements for enhanced disclosure of specific types of capital assets in governmental financial reports. It focuses on assets such as leased assets, intangible right-to-use assets, subscription-based IT arrangements (SBITAs), and capital assets held for sale. The guidance becomes effective for fiscal years beginning after June 15, 2025.

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

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	WTS23	\$ 632,537	\$ -
Temporary Assistance to Needy Families	93.558	WTS24	788,644	-
			<u>1,421,181</u>	<u>-</u>
Total Department of Health and Human Services			<u>1,421,181</u>	<u>-</u>
Department of Labor				
Passed through Florida Department of Commerce:				
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA23	47,232	-
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA24	202,659	-
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB23	18,525	-
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB24	96,815	-
Disable Veterans' Outreach Program (DVOP)	17.801	DVP23	44,226	-
Disable Veterans' Outreach Program (DVOP)	17.801	DVP24	70,200	-
Disable Veterans' Outreach Program (DVOP)	17.801	LVR23	36,306	-
Disable Veterans' Outreach Program (DVOP)	17.801	LVR24	80,233	-
Disable Veterans' Outreach Program (DVOP)	17.801	VPI23	25,000	-
Total Employment Service Cluster			<u>621,196</u>	<u>-</u>
Unemployment Insurance	17.225	UCR22	38,453	-
Unemployment Insurance	17.225	UCR23	67,636	-
Total Unemployment Insurance			<u>106,089</u>	<u>-</u>
WIOA Adult Program	17.258	WIA23	35,732	-
WIOA Adult Program	17.258	WIA24	461,175	-
WIOA Adult Program	17.258	WIS22	113,222	-
WIOA Adult Program	17.258	WIS24	31,664	-
WIOA Youth Activities	17.259	WIY23	461,715	421,383
WIOA Youth Activities	17.259	WIY24	471,256	414,299
WIOA Youth Activities	17.259	WIS22	113,222	-
WIOA Youth Activities	17.259	WIS24	30,704	-
WIOA Dislocated Worker Formulas Grants	17.278	WID23	681,925	-
WIOA Dislocated Worker Formulas Grants	17.278	WID24	94,992	-
WIOA Dislocated Worker Formulas Grants	17.278	WIR24	85,291	-
WIOA Dislocated Worker Formulas Grants	17.278	WIS22	127,374	-
WIOA Dislocated Worker Formulas Grants	17.278	WIS24	33,598	-
Total WIOA Cluster			<u>2,741,870</u>	<u>835,682</u>
Total Department of Labor			<u>3,469,155</u>	<u>835,682</u>
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH23	37,857	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH24	88,488	-
Total SNAP Cluster			<u>126,345</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>126,345</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,016,681</u>	<u>\$ 835,682</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, 2024**

(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, 2024 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, 2024, and the related notes to the financial statements, which collectively comprise CareerSource Escarosa's basic financial statements, and have issued our report thereon dated January 6, 2025.

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 CareerSource Escarosa'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

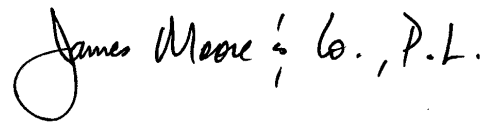
As part of obtaining reasonable assurance about whether CareerSource Escarosa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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*.

CareerSource Escarosa, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on CareerSource Escarosa, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. CareerSource Escarosa's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response

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
January 6, 2025

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, 2024. 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, 2024.

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.

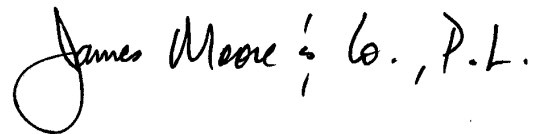
Report on Internal Control Over Compliance

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
January 6, 2025

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

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? X yes _____ 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
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, 2024
(Continued)**

II. Financial Statement Findings:

2024-001 SERA Reporting Errors

Criteria: In fiscal years 2021 and 2022, cost pools and indirect balances were not being fully allocated to the grants resulting in reporting errors in the Department of Commerce Subrecipient Enterprise Resource Application (SERA) system and therefore the financial statements for deferred revenues and grant receivables. These errors were discovered in fiscal year 2024 due to certain internal controls surrounding a reconciliation of these cost pools and indirect balances that were not in place.

Condition: CareerSource Escarosa did not implement processes to ensure proper reporting and allocation of various cost pools and indirect costs to the various grant in the SERA system.

Cause: No formal process to allocate indirect costs from cost pools in the SERA system.

Effect: Misstatements in SERA and the financial statements

Recommendation: We recommend CareerSource Escarosa implement a process to ensure these costs are properly reflected in SERA.

III. Federal Award Findings and Questioned Costs:

None.

IV. State of Florida, Department of Commerce (DOC) Reporting Requirements:

The Organization performed timely reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application maintained by DOC. Also, based on the DOC reporting requirements, there were no additional findings required to be reported in fiscal year 2024.

V. Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended June 30, 2023.



MANAGEMENT'S RESPONSE TO FINDINGS

2024-001 SERA Reporting Errors

Criteria: In fiscal years 2021 and 2022, cost pools and indirect balances were not being fully allocated to the grants resulting in reporting errors in the Department of Commerce Subrecipient Enterprise Resource Application (SERA) system and therefore the financial statements for deferred revenues and grant receivables. These errors were discovered in fiscal year 2024 due to certain internal controls surrounding a reconciliation of these cost pools and indirect balances that were not in place.

Condition: CareerSource Escarosa did not implement processes to ensure proper reporting and allocation of various cost pools and indirect costs to the various grant in the SERA system.

Cause: No formal process to allocate indirect costs from cost pools in the SERA system.

Effect: Misstatements in SERA and the financial statements

Recommendation: We recommend CareerSource Escarosa implement a process to ensure these costs are properly reflected in SERA.

LWDB Response:

CSE acknowledges the above recommendation and has updated its closing process and procedures immediately after identifying these issues.

CSE will continuously monitor and ensure that the organization's processes and procedures are being enforced and kept up to date to prevent the occurrence of these issues in the future.

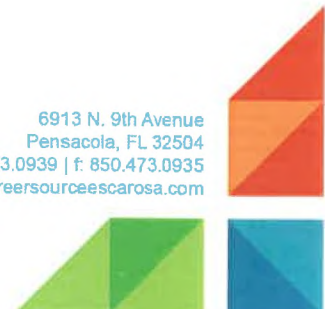
A handwritten signature in blue ink that reads "McBride".

Marcus L. McBride, PhD
Chief Executive Officer

A handwritten signature in black ink that reads "Mariezel Halili".

Mariezel Halili
Chief Financial Officer

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



CareerSource Escarosa

BOARD OF DIRECTORS OCTOBER 17, 2024 MINUTES

Members Participating In-Person: Lloyd Reshard (Chair), Jerry Kersey (Vice Chair), Douglas Brown (Secretary/Treasurer), Jeffrey Hondorp (Member-at-Large), Steven Harrell, and Bridgette Price

Members Participating via virtual/teleconference: David Bouvin, Anthony Eman, David Peaden, II, and Michael Listau

Members Not Participating: Jameson Cutchens, and Michele Kelson

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

Others Participating: Daniel Harper, Yvette McCullough, and Kenneth Williams – Florida Department of Commerce, Mariezel Halili, Bill Barron, and Janay Sims – CareerSource Escarosa

Lloyd Reshard, Chairperson, called the meeting to order at 3:30 p.m., at the Pensacola Career Center (6913 N. 9th Avenue, Pensacola, FL 32504). Mr. Reshard called the attendance roll to confirm a quorum.

CALL FOR PUBLIC COMMENT

There were no public comments.

READING OF PUBLIC DISCLOSURES

The public disclosures were read by Janay Sims.

APPROVAL OF AGENDA

The agenda was reviewed by the Board.

Action Taken: Motion by Douglas Brown and seconded by Jerry Kersey, Jr. to approve the agenda as printed. Motion carried. (9-Yeas/0-Nays).

ANNUAL PERFORMANCE PRESENTATION

Daniel Harper, Yvette McCullough, and Kenneth Williams with Florida Department of Commerce presented CareerSource Escarosa's annual performance for Program Year 2023. The presentation outlined statewide and local board funding for 2024; financial performance; primary indicators of performance; programmatic and financial monitoring outcomes, and the letter grade for CSE –“B”. It was noted re-calculations are to be made regarding the primary indicators of performance.

CONSENT AGENDA:

MINUTES – JULY 18, 2024

The CSE Board of Directors minutes for July 18, 2024, was made available to the board for review.

Action Taken: Motion by Steven Harrell and seconded by Bridgette Price to approve the July 18, 2024, Board of Directors minutes. Motion carried (9-Yeas/0-Nays).

MINUTES – SEPTEMBER 3, 2024 (SPECIAL MEETING)

The CSE Board of Directors minutes for September 3, 2024, was made available to the board for review.

Action Taken: Motion by Jerry Kersey and seconded by Jeffrey Hondorp to approve the September 3, 2024, Board of Directors minutes. Motion carried (9-Yeas/0-Nays).

ITEMS FOR CONSIDERATION

FINANCIAL EXPENDITURE AND BUDGET VARIANCES REPORTS

Reports of financial expenditures, budget and variances for the month ending August 31, 2024, was made available to the board.

It was noted that the budget is 11.6% expended. The 5% under expenditure is due to salaries, benefits, and obligated training dollars. It was noted that all allocations have not been received – SNAP allocations. The budget is expected to be modified once allocations are received.

Action Taken: Motion by Bridgette Price and seconded by Jerry Kersey to accept the Financial Expenditure and Budget Variances Reports for the month ending August 31, 2024. Motion carried. (9-Yeas/0-Nays)

TRANSFER OF WIOA DISLOCATED WORKER FUNDS TO WIOA ADULT

CareerSource Florida Administrative Policy Number 118 provides authority to transfer funds between Adult and Dislocated Worker programs. CSE anticipates a depletion of current funding in the WIOA Adult program prior to the end of Program Year 2024-2025, and has experienced underspending in the WIOA Dislocated Worker program. Current remaining funds in the WIOA Dislocated Worker program is \$579,370.00. Staff is requesting to transfer 81.34 % (\$471,246.29) of Dislocated Worker funds to the WIOA Adult program.

Action Taken: Motion by Jerry Kersey and seconded by Douglas Brown to approve to transfer 81.34% (\$471,246.29) of WIOA Dislocated Worker funds to the WIOA Adult program. Motion carried. (9-Yeas/0-Nays)

CEO EVALUATION AND COMPENSATION

Mr. Reshard reported on the CEO's evaluation, and members of the board confirmed receipt of it. Mr. Reshard reported the evaluation was scored and some items of discussion during the evaluation with the CEO included the delegation of work to management staff and board membership recruitment. It was expressed that the CEO has done a great job in leading the organization.

Action Taken: Motion by Jerry Kersey and seconded by Bridgette Price to approve the CEO's evaluation and compensation. Motion carried. (9-Yeas/0-Nays)

INFORMATION ITEMS

2024-2025 INTERNAL CONTROL QUESTIONNAIRE AND ASSESSMENT

The 2024-2025 Internal Controls Questionnaire and Assessment was made available to the board. It was noted that there is room for improvement. It was also expressed that an organization can benefit with the use of the assessment as a blueprint.

BOARD GOVERNANCE: ATTENDANCE AND VACANCIES

A report of both attendance and vacancies was made available to the board.

CHIEF EXECUTIVE OFFICER'S REPORT

Not available.

ITEMS PENDING WITH CLEO (ESCAMBIA COUNTY)

No items pending was noted with the designated CLEO – Santa Rosa County.

There being no further business, the meeting adjourned at 4:04 p.m.

Douglas Brown, Secretary/Treasurer
CareerSource Escarosa

DRAFT

CareerSource Escarosa
Summary of Expenditures
As of December 31, 2024

Program/ Project	NFA ID	NFA Start Date	NFA Status	Total Funds Available	LTD Expenditures	Available Funds Remaining	Expected Burn Rate	Percent Expended	Variance	Award End Date
Apprenticeship Navigator	044161	7/1/2024	In Progress	\$80,000.00	\$8,398.77	\$71,601.23	58.33%	10.5%	47.83%	6/30/2025
Florida Healthcare Training	043147	7/1/2023	In Progress	\$458,336.00	\$243,315.48	\$215,020.52	79.17%	53.1%	26.08%	6/30/2025
Hope Florida – A Pathway to Promise	043019	7/1/2023	In Progress	\$73,281.50	\$58,150.47	\$15,131.03	79.17%	79.4%	-0.19%	6/30/2025
Hope Florida – A Pathway to Promise	043043	7/1/2023	In Progress	\$104,687.30	\$5,825.37	\$98,861.93	79.17%	5.6%	73.60%	6/30/2025
Hope Florida Navigator	044139	7/1/2024	In Progress	\$71,428.57	\$0.00	\$71,428.57	58.33%	0.0%	58.33%	6/30/2025
Rapid Response	042815	7/1/2023	Pending Clos	\$105,000.00	\$105,000.00	\$0.00	100.00%	100.0%	0.00%	12/31/2024
Rapid Response	043916	7/1/2024	In Progress	\$54,968.00	\$30,221.03	\$24,746.97	58.33%	55.0%	3.35%	6/30/2025
RESEA	041930	1/1/2022	ClosedOut	\$58,290.00	\$58,290.00	\$0.00	100.00%	100.0%	0.00%	9/30/2024
RESEA	043068	1/1/2023	In Progress	\$87,729.00	\$87,729.00	\$0.00	72.73%	100.0%	-27.27%	9/30/2025
RESEA	044461	1/1/2024	In Progress	\$86,140.00	\$29,604.96	\$56,535.04	57.14%	34.4%	22.77%	9/30/2025
SFY24-25 Supplemental WIOA	044101	7/1/2024	In Progress	\$132,436.00	\$0.00	\$132,436.00	29.17%	0.0%	29.17%	6/30/2026
Supplemental Nutrition Assistance Program	043149	10/1/2023	ClosedOut	\$108,116.16	\$108,116.16	\$0.00	100.00%	100.0%	0.00%	9/30/2024
Supplemental Nutrition Assistance Program	044717	10/1/2024	In Progress	\$108,117.00	\$28,043.93	\$80,073.07	25.00%	25.9%	-0.94%	9/30/2025
Trade Adjustment Assistance-Trade Adjustment Assistance Training	044529	9/1/2024	In Progress	\$20,000.00	\$0.00	\$20,000.00	30.77%	0.0%	30.77%	9/30/2025
Veterans Program-Disabled Veterans	042332	10/1/2022	ClosedOut	\$72,494.00	\$72,494.00	\$0.00	100.00%	100.0%	na	12/31/2024
Veterans Program-Disabled Veterans	044851	10/1/2024	In Progress	\$40,732.74	\$33,776.01	\$6,956.73	na	82.9%	na	9/30/2025
Veterans Program-Disabled Veterans	043313	10/1/2023	ClosedOut	\$92,771.99	\$92,771.99	\$0.00	na	100.0%	na	12/31/2025
Veterans Program-Local Veterans	042201	10/1/2022	ClosedOut	\$81,152.00	\$81,152.00	\$0.00	100.00%	100.0%	na	12/31/2024
Veterans Program-Local Veterans	044824	10/1/2024	In Progress	\$7,823.00	\$6,023.74	\$1,799.26	na	77.0%	na	9/30/2025
Veterans Program-Local Veterans	043259	10/1/2023	ClosedOut	\$95,994.73	\$95,994.73	\$0.00	na	100.0%	na	12/31/2025
Wagner Peyser	042867	7/1/2023	ClosedOut	\$246,190.00	\$246,190.00	\$0.00	100.00%	100.0%	0.00%	9/30/2024
Wagner Peyser	044013	7/1/2024	In Progress	\$246,190.00	\$112,922.23	\$133,267.77	46.67%	45.9%	0.80%	9/30/2025
Welfare Transition Program - July - September	043856	7/1/2024	ClosedOut	\$290,716.00	\$290,716.00	\$0.00	100.00%	100.0%	0.00%	11/30/2024
Welfare Transition Program - Oct - June	043227	10/1/2023	ClosedOut	\$908,292.00	\$908,292.00	\$0.00	100.00%	100.0%	0.00%	8/31/2024
Welfare Transition Program - Oct - June	044762	10/1/2024	In Progress	\$872,148.00	\$107,996.73	\$764,151.27	33.33%	12.4%	20.95%	6/30/2025
WIOA - Adult	042786	7/1/2023	In Progress	\$796,339.00	\$796,339.00	\$0.00	79.17%	100.0%	-20.83%	6/30/2025
WIOA - Adult	044065	7/1/2024	In Progress	\$661,938.00	\$75,346.50	\$586,591.50	29.17%	11.4%	17.78%	6/30/2026
WIOA - Dislocated Worker	042839	7/1/2023	In Progress	\$579,370.00	\$579,370.00	\$0.00	79.17%	100.0%	-20.83%	6/30/2025
WIOA - Dislocated Worker	043938	7/1/2024	In Progress	\$562,949.00	\$3,947.35	\$559,001.65	29.17%	0.7%	28.47%	6/30/2026
WIOA - Youth	042499	4/1/2023	In Progress	\$943,321.00	\$847,495.26	\$95,825.74	81.48%	89.8%	-8.36%	6/30/2025
WIOA - Youth	043769	4/1/2024	In Progress	\$772,666.00	\$0.00	\$772,666.00	37.04%	0.0%	37.04%	6/30/2026
WP7B SFY24-25 Military Family Employment Advocacy Program	044034	7/1/2024	In Progress	\$81,417.00	\$44,342.27	\$37,074.73	58.33%	54.5%	3.87%	6/30/2025



CareerSource Escarosa
BUDGET VARIANCE REPORT

December 31, 2024

		TOTALS				
FY 2024-2025 Budget			7,346,084			
EXPENDITURES	ACTUAL EXPENDITURES	APPROVED BUDGET	BUDGET VARIANCE Under/(Over)	Expended FAVORABLE 50%		OVER-/UNDER
Board Admin Operating Costs (Indirect)	175,076	442,036	266,960	39.61%		-10.39%
Payroll & Benefits	120,918	313,823	192,905	38.53%	1	-11.47%
Facilities	12,165	29,255	17,090	41.58%	2	-8.42%
Equipment	0	2,093	2,093	0.00%	3	-50.00%
Operational Support	41,993	96,865	54,872	43.35%	4	-6.65%
Board Program Operating Costs Indirect	76,904	128,333	51,429	59.93%		9.93%
Payroll & Benefits	53,115	91,110	37,995	58.30%	5	8.30%
Facilities	5,344	8,493	3,149	62.92%	6	12.92%
Equipment	0	608	608	0.00%	7	-50.00%
Operational Support	18,446	28,122	9,676	65.59%	8	15.59%
One Stop Centers, Program Management, WIOA Direct	1,798,551	4,556,718	2,758,167	39.47%		-10.53%
Payroll & Benefits	901,735	2,583,476	1,681,741	34.90%	9	-15.10%
Facilities	383,515	798,357	414,842	48.04%	10	-1.96%
Equipment	7,162	30,964	23,802	23.13%	11	-26.87%
Operational Support	168,745	335,337	166,592	50.32%	12	0.32%
DEO State Control	337,395	808,584	471,189	41.73%	13	-8.27%
Tuition, Training and Supportive Services Costs	341,607	819,000	477,393	41.71%		-8.29%
Tuition/Books/Supplies	284,541	727,000	442,459	39.14%	14	-10.86%
Supportive Services	51,667	71,400	19,733	72.36%	15	22.36%
Supportive Services/ Transportation	5,400	20,600	15,200	26.21%	16	-23.79%
Contracted Service Costs	332,306	1,400,000	1,067,694	23.74%		-26.26%
Specialized Training (EWT, OJT, CET)	0	150,000	150,000	0.00%	17	-50.00%
Youth Customer Services	174,799	540,000	365,202	32.37%	18	-17.63%
Work Experience/Internship Youth	157,508	360,000	202,492	43.75%	19	-6.25%
Summer Youth Employment Program	0	350,000	350,000	0.00%	20	-50.00%
Total Expenditures	2,724,445	7,346,087	4,621,642	37.09%		-12.91%
Balance Available	4,621,639					
% of Funds Expended				FAVORABLE 50%		



**BUDGET VARIANCE REPORT COMMENTS
DECEMBER 31, 2024**

Line Item#	Comments
1, 5, & 9	▪ Includes salaries and benefits, employee cost, retirement underspent by-\$ 418,437.27/-14.00% of the favorable 50.00%.
2, 6, & 10	▪ Includes building rent, maintenance, cleaning, and utilities, underspent by -\$17,029.15/-2.04% of the favorable 50.00%.
3, 7, & 11	▪ Includes equipment and software, underspent by -\$9,670.59/-28.73% of the favorable 50.00%.
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, underspent -\$977.94/-0.21% of the favorable 50.00%.
13	▪ FLCOM merit staff salaries and benefits paid and controlled by the State Wagner Peyser DVOP and LVER, underspent -66,897.07/-8.27% of the favorable 50.00%.
14	▪ Expenditures are based on the number of customers determined eligible for ITA's, underspent -\$78,959.44/-10.86% of the favorable 50.00%.
15	▪ Expenditures are based on the number of customers determined eligible for supportive services overspent by \$15,966.65/22.36% of the favorable 50.00%.
16	▪ Transportation expenditures are underspent by \$4,900.00/-23.79% of the favorable 50.00%.
17	▪ The OJT providers/agreements underspent -\$75,000/-50.00% of the favorable 50.00%.
18	▪ Youth Services Sub-Awards expenditures are underspent -\$95,201.50/-17.63% of the favorable 50.00%.
19	▪ Youth Work Experience Sub-Awards expenditures are underspent - \$22,492.26/-6.25% of the favorable 50.00%.
20	▪ Summer Youth Program expenditures are under spent \$-175,000.00/-50.00% of the favorable 50.00%. Expenditure for the program usually starts in May/June

- All funding expenditures combined are under \$-948,598.57/ -12.91% of the favorable 50.00% of the budget.

**CAREERSOURCE ESCAROSA
ACTION ITEM
UPDATE TO
CSE'S ADMINISTRATIVE PLAN**

Date: January 30, 2025

ITEM FOR CONSIDERATION

CareerSource Escarosa's employee handbook policy on Payout states:

Payout

"Payout option may be subject to funding availability and would only be available during the months of December and June. To be eligible for the payout, employees must have completed at least 12 months of continuous service on or before December 1 or June 1. Employees are eligible to cash out of their Leave Pool. A request must be made to receive the payout option. A maximum of up to 10 hours per request and two request per program year is allowed. For a December payout, the request must be received by the end of November. A balance of 20 hours of leave must be maintained in the employee's Leave Pool."

CareerSource Escarosa (CSE) has been operating by its administrative plan, and request that the plan be updated to include the above Payout Policy.

RECOMMENDATION:

The CSE Administrative Plan be updated to include the Payout Policy as recorded above.

**CAREERSOURCE ESCAROSA
ACTION ITEM
UPDATE TO
CSE'S BY-LAWS**

Date: January 30, 2025

ITEM FOR CONSIDERATION

CareerSource Florida Policy #110 states:

“Local Workforce Development Boards (LWDBs) must include in their board policies the requirement to conduct regular performance reviews, at a minimum annually, for the executive director. Performance reviews must, at a minimum, include local area performance in the federal and state programs administered by the LWDB, and state-issued letter grades.

Additionally, performance reviews must evaluate the executive director’s effectiveness in:

a) Ensuring workforce investment activities carried out in the local area enable the local area to meet the corresponding performance accountability measures and achieve fiscal integrity as defined in WIOA sec. 106(e)(2).

b) Meeting the functions outlined in Section IV.A.5. of this policy. The annual performance review must be provided to and reviewed by the CLEO(s).”

CSE request updating its By-Laws to include the following:

Annual Review of the Chief Executive Officer (CEO)

CSE will conduct regular performance reviews, at a minimum annually, for the chief executive officer. Performance reviews will, at a minimum, include the local area performance in the federal and state programs administered by the LWDB, and state-issued letter grades.

Additionally, performance reviews will evaluate the chief executive officer’s effectiveness in:

- a) Ensuring workforce investment activities are carried out in the local area enable the local area to meet the corresponding performance accountability measures and achieve fiscal integrity as defined in WIOA sec. 106(e)(2).
- b) Meeting the functions outlined in Section VI.A.5. (**Local Workforce Development Board Executives**) of this policy.

The annual performance review will be completed and reviewed by the board prior to its annual meeting, and provided, annually, for review by the CLEO(s) no later than CSE’s annual meeting.

RECOMMENDATION: The Board approve the requested update to the CSE By-Laws.



Workforce Policy

**POLICY
NUMBER
091**

Title:	Local Workforce Development Board Composition and Certification		
Program:	Workforce Innovation and Opportunity Act		
Effective:	06/08/2016	Revised:	TBD

I. PURPOSE AND SCOPE

The purpose of this policy is to provide local workforce development boards (LWDB) with the requirements for LWDB membership composition under the Workforce Innovation and Opportunity Act (WIOA) and Chapter 445, Florida Statutes (F.S.), and the process for certification of LWDBs.

This policy applies to all LWDBs, Florida Department of Commerce (FloridaCommerce), and CareerSource Florida.

II. KEY OBJECTIVES

- Establish requirements for LWDB composition.
- Ensure local design and local control of workforce service delivery and targeted activities within a representative governing body for the local area.
- Ensure LWDBs represent the specific needs of counties, municipalities, educational institutions, and businesses in the LWDB and Local Workforce Development Regions' geographical area while being consistent with the statewide four-year plan.
- Provide flexibility for each LWDB to adapt to economic indicators and local workforce needs.
- Ensure certification of all LWDBs every two years.

III. MEASURABLE OUTCOMES

- Evaluation of compliance consistent with WIOA Sections 106-107 and Chapter 445, F.S.

IV. BACKGROUND

Each local workforce development area (local area) in the state shall establish a LWDB to carry out the functions specified for the LWDB under WIOA sec. 107(d) for such local area. The state workforce development board (state board), in partnership with FloridaCommerce, will ensure LWDBs have a membership consistent with the requirements of federal and state law, state policy, and have developed a plan consistent with the state's four-year WIOA plan.

V. AUTHORITY

Public Law 113-128, Workforce Innovation and Opportunity Act Sections 106 and 107

[CareerSource Florida Strategic Policy 2023.09.19.A.2.](#)

[20 Code of Federal Regulations 679.320](#)

Sections [445.004](#) and [445.007](#), F.S.

VI. POLICIES AND PROCEDURES

The Governor is responsible for certifying LWDBs within the CareerSource Florida network every two years based on criteria established by WIOA and Florida Statutes.

Local workforce development areas comprised of multiple counties shall develop a process for all Chief Local Elected Officials (CLEO) to participate in the appointments process to ensure appropriate and equitable representation from all counties included in the area and reflect the representation in interlocal, consortium, and/or other agreements. CLEOs who are not active members of LWDBs are encouraged to participate in board meetings.

Outlined below are the policies and procedures for certifying LWDBs and ensuring the composition of and appointment of members to LWDBs are consistent with the provisions of federal and state requirements.

A. LWDB Membership and Composition

The Governor, in partnership with the state board, shall establish criteria for use by CLEOs to appoint members of the LWDBs in accordance with WIOA sec. 107(b)(2) and to ensure there is appropriate and equitable representation from all counties included in the local area. The composition of the LWDB must meet the following criteria:

1. Business

A majority of the LWDB members shall represent businesses in the local area as individuals who:

- a) Are owners of a business, chief executives or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority.
- b) Represent businesses, including small businesses, or organizations representing businesses that provide employment opportunities that, at a minimum, include high-quality, work-relevant training and development from in-demand industry sectors or occupations in the local area (at least two representatives of small businesses must be included).
- c) Are appointed from individuals nominated by local business organizations and business trade associations.
- d) Are not current members of the local area's Education and Industry Consortium as defined by CareerSource Florida's Strategic Policy 2023.09.19.A.2.

Business representatives appointed to the local workforce development board shall include the industry sectors of focus identified in the local area WIOA plan.

2. Labor/Apprenticeships

Not less than 20 percent of the members shall be representatives of the workforce within the local area that:

- a) Include at least two representatives of labor organizations nominated by local labor federations. For a local area in which no employees are represented by such organizations, at least two other representatives of employees will be included.
- b) Include at least one representative of a labor organization or a training director from a joint labor-management apprenticeship program. If no union affiliated registered apprenticeship programs exist in the area, a representative of a nonunion affiliated registered apprenticeship program must be appointed, if one exists.
- c) May include representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment needs of individuals with barriers to employment, including organizations that serve veterans or provide/support competitive integrated employment for individuals with disabilities.
- d) May include representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives or organizations that serve out-of-school youth.

3. Education

Each LWDB shall include representatives of entities administering education and training activities in the local area who:

- a) Include a representative of eligible providers administering adult education and literacy activities under Title II of WIOA.
- b) Include a representative of institutions of higher education providing workforce investment activities (including community colleges).
- c) Include a representative of a private education provider if a public education or training provider is represented on the LWDB. LWDBs can search local private education providers on the Florida Department of Education website [Commission for Independent Education \(fldoe.org\)](http://fldoe.org). The state board may waive this requirement if requested by a LWDB if it is demonstrated that such representative does not exist in the local area.
- d) May include representatives of local educational agencies and community-based organizations with demonstrated experience and expertise in addressing the education or training needs of individuals with barriers to employment.
- e) Are not current members of the local area's Education and Industry Consortium as defined by CareerSource Florida Policy 2023.09.19.A.2.

When there is more than one institution in each of the types of educational entities listed above, nominations are solicited from representatives of each of these entities.

LWDBs requesting to waive the requirement for private education provider representation on the board must demonstrate that such a provider does not exist in the local area and/or is not willing to serve on the board. The LWDB will describe, in a locally defined process, how private education providers will be identified, and efforts taken to include those representatives on the LWDB. If through the locally defined process the LWDB finds that a private education provider representative of an entity administering education and training activities in the local area does not exist or is not willing to serve on the board, the LWDB must submit a Private Education Provider Waiver Request Form (Attachment A) to: LWDBGovernance@commerce.fl.gov. The request must include a copy of the locally defined process used to identify private education providers and the results of the LWDB's efforts to include those representatives on the LWDB in its request.

4. Governmental/Economic/Community Development

Each LWDB shall include representatives of economic and community development as well as governmental entities serving the local area who:

- a) Represent economic and community development entities serving the local area.

- b) Represent Vocational Rehabilitation serving the local area.
- c) May represent agencies or entities serving the local area relating to transportation, housing, and public assistance.
- d) May represent philanthropic organizations serving the local area.

5. Other Entity Representation

Each LWDB may include other individuals or representatives of entities determined to be appropriate by the CLEO in the local areas.

Unlike the state board, members of the LWDB may be appointed as representatives of more than one entity if the individual meets all the criteria for representation.

B. LWDB Chairperson

The LWDB chairperson is elected by the members of the LWDB and must be one of the business representatives on the LWDB. LWDB chairperson requirements can be found in [Administrative Policy 110 – Local Workforce Development Area and Board Governance](#).

C. Standing Committees

The LWDB may designate and direct the activities of standing committees to provide information and to assist the LWDB in carrying out its required activities, as further prescribed in WIOA sec. 107(b)(4).

D. Authority of Board Members

Members of the board who represent organizations, agencies, or other entities must be individuals with optimum policymaking authority within the organizations, agencies or entities.

E. Board Member Recruiting, Vetting and Nominating

The LWDB, in consultation with the CLEO, must develop and implement written processes and procedures for recruiting, vetting and nominating LWDB members. The qualifications of LWDB members must be documented, align with the requirements of WIOA, and be compliant with all federal and state laws, rules and regulations, and applicable state policies. Documentation supporting the recruitment, vetting, and nomination process, including names of nominating organizations and names of all candidates and their qualifications, must be retained for not less than five years.

In addition to criteria outlined in Section A. of this policy, the members of the LWDB must represent diverse geographic areas within the local area and must ensure appropriate and equitable representation from all counties included in the local area.

The importance of minority and gender representation must be considered when making appointments to the LWDB¹.

F. Appointment of Board Members

The CLEO in a local area is authorized to appoint the members of the LWDB who meet the criteria outlined in **Section IV.A.** of this policy. The CLEO may not delegate the responsibility of appointing members to the LWDB, to the executive director or to staff of the LWDB.

When a local area includes more than one unit of local government, the CLEOs of such units may execute an agreement that specifies the respective roles of the individual CLEOs regarding:

- a) The selection, appointment, removal, or reappointment of the members of the LWDB from individuals nominated or recommended to be such members; and
- b) Carrying out any other responsibilities assigned to such officials in accordance with WIOA.

If after a reasonable effort the CLEOs are unable to reach agreement, the Governor may appoint the members of the LWDB from individuals so nominated or recommended.

LWDBs must adopt and abide by a conflict-of-interest policy that ensures compliance with federal and state laws, rules and regulations and applicable state policies.

Upon appointment to the LWDB, members must be educated about and acknowledge state and local conflict-of-interest policies.

LWDB members who are not otherwise required to file a full and public disclosure of financial interests under Section 8, Art. II of the State Constitution or Section 112.3144, F.S. must be advised of their obligation to file a statement of financial interests under Section 112.3145, F.S.

G. Board Member Vacancies, Term Limits and Removal

LWDB members who no longer hold the position or status that made them eligible appointees must resign or be removed by the CLEO. Local workforce development board vacancies must be filled within a reasonable amount of time, but no more than 12 months from the vacancy occurrence. This process must be described in the local area's bylaws or in a local operating procedure.

LWDB members shall serve staggered terms and may not serve for more than eight (8) consecutive years unless the member is a representative of a government entity.

¹ Section 445.007(1), F.S.

Service in a term of office which commenced before July 1, 2021, does not count toward the 8-year limitation.

The Governor and CLEO may remove members of a LWDB, its executive director and/or the designated person responsible for operational and administrative functions of the board for cause.

H. Certification of Local Workforce Development Boards

1. Certification

Once every two years, one LWDB must be certified for each local area in the state, based on the criteria described in WIOA sec. 107(b) and this policy. For a second or subsequent certification, certification must also be based on the extent to which the local area ensures workforce investment activities carried out in the local area enabled the local area to meet the corresponding performance accountability measures and sustain fiscal integrity as defined in WIOA sec. 106(e)(2).

The state board, on behalf of the Governor, approves the certification of LWDBs every two years. FloridaCommerce, in consultation with CareerSource Florida, will issue instructions to the LWDBs for certification. At the appropriate time intervals, instructions will be issued to LWDBs about the certification process, to include documentation requirements.

At a minimum, LWDBs must provide the following certification documents to FloridaCommerce:

- a) LWDB membership, composition, and policymaking authority.
- b) LWDB chairperson (confirming the chairperson is one of the business representatives on the LWDB).
- c) Membership of standing committees including education and industry consortium(s).
- d) Documentation supporting the recruitment, vetting, and nomination process of all board candidates.
- e) Documentation describing the respective roles of CLEOs in local areas that include more than one unit of local government.
- f) Documentation supporting the appointment of board members.
- g) Documentation describing the board member vacancies, term limits, resignation, and removals.
- h) Certification documentation required under Chapter 445.007, Florida Statutes.

At the appropriate time, FloridaCommerce will issue instructions to local workforce development boards about the certification process, to include documentation requirements.

Upon satisfactory review of LWDB's certification documents, FloridaCommerce will provide a recommendation on certification to the CareerSource Florida Board of Directors.

2. Failure to Achieve Certification

Failure of an LWDB to achieve certification shall result in appointment and certification of a new LWDB for the local area pursuant to WIOA sec. 107(c)(1). [Administrative Policy 104 – Sanctions for Local Workforce Development Boards' Failure to Meet Federal and State Standards](#) details the actions the state board and FloridaCommerce may take if an LWDB fails to meet this standard.

3. Decertification of Local Workforce Development Boards

The Governor may decertify a LWDB in accordance with WIOA Sec. 107(c)(3), as further prescribed in Administrative Policy 104, Sanctions for Local Workforce Development Boards' Failure to Meet Federal and State Standards.

VII. IMPLEMENTATION AND OVERSIGHT

At the local level, the LWDB, in coordination with the CLEO, must conduct oversight of the LWDB's board composition and certification processes to ensure compliance with federal and state laws and regulations such as:

- Developing specific procedures, processes, and/or guidelines to ensure the expectations for the composition of and appointment of members are consistent with the provisions of federal and state guidance as outlined in this policy.
- Developing tools and other resources to track and/or monitor its compliance with this policy, along with ensuring geographic, minority and gender diversity of the board members.
- Assuring attainment of certification for the LWDB every two years.
- Monitoring the LWDB's compliance with this policy no less than annually.

FloridaCommerce will perform programmatic monitoring and will review the local area's board composition and requirements for certification during the annual monitoring review for compliance with federal and state laws and regulations. Findings and other noncompliance issues will be handled through the state's monitoring resolution process.

VIII. DEFINITIONS

- a) **Small Business** - defined by the [Small Business Administration](#).
- b) **Economic Agency** - includes a local planning or zoning commission or board, a community development agency, or another local agency or institution responsible for regulating, promoting, or assisting in local economic development.

- c) **For Cause** – includes, but is not limited to, engaging in fraud or other criminal acts, incapacity, unfitness, neglect of duty, official incompetence and irresponsibility, misfeasance, malfeasance, nonfeasance, gross mismanagement, waste, or lack of performance.
- d) **Person with Optimum Policy-Making Authority** - an individual who can reasonably be expected to speak affirmatively on behalf of the entity he or she represents and to commit that entity to a chosen course of action.
- e) **Demonstrated Experience and Expertise** - an individual who (1) is a workplace learning advisor as defined in WIOA sec. 3(70); (2) contributes to the field of workforce development, human resources, training and development, or a core program function; or (3) the LWDB recognizes for valuable contributions in education or workforce development related fields.

IX. REVISION HISTORY

Date	Description
TBD	Revised by Florida Commerce and CareerSource Florida to update Purpose and Scope to include board-led strategies; Added Key Objectives; Expanded Section H to list documentation requirements described in Section VI(e) and Section VI(h). Recommended Sunset of CareerSource Florida Strategic Policy 2000.08.15.8D – Revision to Certification of Local Workforce Development Areas and Local Workforce Development Boards originally approved 08/15/2000.
03/04/2024	Issued by the Florida Department of Commerce.
02/28/2024	Revised by the Florida Department of Commerce and approved by CareerSource Florida Board of Directors.
07/01/2021	Revised and issued by the Florida Department of Economic Opportunity to incorporate the requirements of the Reimagining Education and Career Help Act of 2021 (House Bill 1507).
01/07/2021	Issued by the Florida Department of Economic Opportunity.
12/03/2020	Revised and approved by CareerSource Florida Board of Directors.
02/20/2020	Revised and approved by CareerSource Florida Board of Directors.
06/08/2016	Issued by the Florida Department of Economic Opportunity. This administrative policy supersedes and replaces FG-OSPS-073, Regional Workforce Board Composition, Certification and Decertification issued June 29, 2013.

X. ATTACHMENTS

[Attachment A – Private Education Provider Waiver Request Form](#)



Workforce Policy

**POLICY
NUMBER
110**

Title:	Local Workforce Development Area and Board Governance		
Program:	Workforce Innovation and Opportunity Act		
Effective:	03/04/2021	Revised:	03/04/2024

I. PURPOSE AND SCOPE

The purpose of this policy is to provide guidance to chief local elected officials (CLEO), fiscal agents, local workforce development boards (LWDB), LWDB chairpersons, LWDB staff, and workforce system partners on the requirements for local workforce development area (local area) and LWDB governance. This policy outlines key roles, responsibilities, and requirements of the entities/individuals that make up the workforce development system within a local area.

This policy also identifies and describes required agreements to ensure the local area serves as a jurisdiction for the administration of workforce development activities and expenditure of Workforce Innovation and Opportunity Act (WIOA) adult, dislocated worker, and youth funds allocated to LWDBs by the Florida Department of Commerce (FloridaCommerce).

II. KEY OBJECTIVES

- Clarify roles of local board members, CLEOs, Board Chairs, and Executive Leadership
- Ensure local policies and WIOA Local Plans are aligned with state objectives and consistent with administrative policy

III. MEASURABLE OUTCOMES

- Evaluation of compliance consistent with WIOA Chapter 106 and 107 and Chapter 445, F.S.

IV. BACKGROUND

WIOA envisions a workforce development system that focuses on the needs of job seekers and businesses and anticipates and responds to the needs of local and regional economies.

WIOA requires LWDBs and CLEOs to design and govern the system regionally, align workforce policies and services with regional economies, and support service delivery strategies tailored to those needs. The local area serves as a jurisdiction for the administration of workforce development activities which requires the CLEO to play an active role in both the strategic planning and ongoing operation of the local workforce development system. Agreements between the CLEO and the entities responsible for the local workforce development system will address how the local area functions and how administrative tasks will be carried out within the local area.

V. AUTHORITY

[Public Law 113-128, Workforce Innovation and Opportunity Act](#), Sections 106 and 107

[20 Code of Federal Regulations \(CFR\) 678.600](#); [20 CFR 679.310](#); [20 CFR 679.320](#); and [20 CFR 679.370 Chapter 119, F. S.](#)

[Chapter 286, F.S.](#)

[Sections 445.004 and 445.007, F.S.](#)

[CareerSource Florida Strategic Policy 2023.09.19.A.2 – Education and Industry Consortiums](#)

Workforce [Policy 2018.09.26.A.1 – Ethics and Transparency Policy](#)

VI. POLICIES AND PROCEDURES

A. Roles and Responsibilities

1. Chief Local Elected Official (CLEO)

As defined in WIOA sec. 3(9), the CLEO is the chief elected executive officer of a unit of general local government in a local area and, in a case where a local area includes more than one unit of general local government, the representative(s) under the agreement (interlocal, consortium, and other agreements as described in **Section VI.F.1.** of this policy) that specifies the respective roles.

The CLEO's responsibilities include:

- a) Requesting local area designation (as prescribed in [Administrative Policy 094 – Local Workforce Development Area Designation](#));
- b) Requesting LWDB certification (as prescribed in [Administrative Policy 091 –](#)

Local Workforce Development Board Composition and Certification);

- c) Appointing members to the LWDB;
- d) Establishing bylaws in coordination with the LWDB;
- e) Designating a fiscal agent (if not serving as grant recipient) and monitoring their effectiveness;
- f) Approving the LWDB budget;
- g) Assuming liability for any misuse of WIOA grant funds by the local area;
- h) In coordination with the LWDB and/or staff to the board, negotiating and reaching agreement on LWDB local performance measures with FloridaCommerce;
- i) Negotiating with the LWDB and required partners to maintain the workforce delivery system through the Memorandum of Understanding (as prescribed in Administrative Policy 106 - Memorandums of Understanding and Infrastructure Funding Agreements);
- j) Partnering with the LWDB and planning region, to develop and submit the WIOA local plan and regional plan; and
- k) Reviewing the annual performance review of the LWDB executive director.

CLEOs who are not active members of LWDBs are encouraged to attend meetings of the local board. Additionally, CLEOs also have access to a variety of supports to fulfill their responsibilities and ensure constituents in their local area have access to a high-quality local workforce delivery system. Those supports include calls and technical assistance made available by CareerSource Florida and FloridaCommerce, training (including annual and new LWDB member training), and data dashboards.

The CLEO may delegate the listed responsibilities except:

- a) Appointing members to the LWDB.
- b) Designating a fiscal agent (designation of a fiscal agent does not relieve the CLEO or Governor of liability for misuse of grant funds – 20 CFR 679.420).
- c) Liability for any misuse of WIOA grant funds by the local area.

The CLEO may remove a member of the LWDB, the executive director of the LWDB, or the designated person responsible for the operational and administrative function of the LWDB for cause.¹

2. Fiscal Agent

The fiscal agent is the entity designated by the CLEO to perform accounting and funds management on behalf of the CLEO. The duties of the fiscal agent include but are not limited to:

¹ Section 445.007(2)(c)

- a) Receiving funds;
- b) Ensuring sustained fiscal integrity and accountability for expenditures of funds in accordance with the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") and applicable circulars, WIOA, corresponding federal regulations, state law, and state policies;
- c) Responding to audit financial findings;
- d) Maintaining proper accounting records and documentation;
- e) Preparing financial reports; and
- f) Providing technical assistance to subrecipients regarding fiscal issues.

Although the appropriate role of the fiscal agent should be limited to accounting and funds management functions rather than policy or service delivery, there may be circumstances in which the fiscal agent may be the LWDB, the procured one-stop operator, the workforce services provider, and/or youth service provider.

At the direction of the LWDB, the fiscal agent may have the following additional functions:

- a) Procuring contracts or obtain written agreements;
- b) Conducting financial monitoring of service providers; and
- c) Ensuring an independent audit is conducted of all employment and training programs.

The fiscal agent must provide financial reports to the LWDB and CLEO at least quarterly.

3. Local Workforce Development Board

The LWDB is appointed by the CLEO in each local area in accordance with state criteria established under WIOA sec. 107(b) and certified by the Governor every two years in accordance with WIOA sec. 107(c)(2). The state's criteria for LWDB certification are found in [Administrative Policy 091 – Local Workforce Development Board Composition and Certification](#).

The LWDB provides strategic and operational oversight, assists in achievement of the state's strategic and operational vision and goals, and maximizes and continues to improve quality of services, customer satisfaction, and effectiveness of services provided. LWDB responsibilities include, but are not limited to:

- a) Developing and submitting a four-year local plan and regional plan;
- b) Conducting workforce research and regional labor market analysis;
- c) Convening local workforce development system stakeholders to assist in the development of the local plan and in identifying expertise and resources to leverage support for workforce development activities;
- d) Leading efforts to engage employers, a wide range of representatives of industry, government, education, and workforce training in the local area;

- e) Leading efforts to develop and implement career pathways;
- f) Leading efforts to identify and promote proven and promising strategies and initiatives for meeting the needs of employers, workers, and jobseekers;
- g) Developing strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, workers, and job seekers;
- h) In partnership with the CLEO, conducting oversight of the WIOA adult, dislocated worker, and youth programs and the entire local workforce delivery system, ensuring the appropriate use and management of WIOA funds, and ensuring the appropriate use, management and investment of funds to maximize performance outcomes;
- i) Negotiating and reaching agreement on local performance measures with the CLEO and FloridaCommerce;
- j) Negotiating with the CLEO and required partners on the methods for funding the infrastructure costs of one-stop centers in the local area in accordance with 20 CFR 678.715 and [Administrative Policy 106 – Memorandums of Understanding and Infrastructure Funding Agreements](#);
- k) Selecting providers of youth workforce investment activities through competitive grants or contracts in accordance with [Administrative Policy 120 – Youth Service Provider Selection](#); providers of training services consistent with state policy and WIOA sec. 122; providers of career services through the awards of contracts in accordance with [Administrative Policy 083 – Direct Provider of Workforce Services](#); and one-stop operators in accordance with 20 CFR 678.600 through 20 CFR 678.635 and [Administrative Policy 097 – One-Stop Operator Procurement](#);²
- l) Working with the state to ensure there are sufficient numbers and types of providers of career services and training services serving the local area and providing the services in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities;
- m) Coordinating activities with education and training providers in the local area;
- n) Developing a budget for the activities of the LWDB, with approval of the CLEO and consistent with the four-year local plan and the duties of the LWDB;
- o) Assessing, on an annual basis, the physical and programmatic accessibility of all career centers in the local area, in accordance with WIOA sec. 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);
- p) Certifying the local area’s career centers in accordance with 20 CFR 678.800 and [Administrative Policy 093 – One-Stop Delivery System and One-Stop Center Certification Requirements](#);
- q) Concluding agreements necessary to designate the fiscal agent and administrative entity. A public or private entity, including an entity established

² In accordance with section 445.007(6), F.S., consistent with federal and state law, LWDBs must designate all local service providers and may not transfer this authority to a third party.

under section 163.01, F.S. which makes a majority of the appointments to a local board may serve as the local board's administrative entity if approved by FloridaCommerce based upon a showing that a fair and competitive process was used to select the administrative entity;³

- r) Providing ongoing oversight related to administrative costs, duplicated services, career counseling, economic development, equal access, compliance and accountability, and performance outcomes;⁴
- s) Overseeing the one-stop delivery system in its local area;⁵
- t) In partnership with the CLEO, establishing bylaws and codes of conduct for LWDB members, as well as the LWDB executive director and LWDB staff;
- u) Establishing additional monitoring and reporting requirements, if one entity fulfills multiple functions, to ensure the entity is compliant with WIOA, final rules and regulations, OMB Uniform Guidance and applicable circulars, and the state's conflict of interest policy; and
- v) Completing new LWDB member orientation and annual training requirements within the required timeframes, in accordance with **Section VI.I** of this policy.

A full list of LWDB functions can be found in WIOA sec. 107(d), 20 CFR 679.370 and section 445.007, F.S.

4. Local Workforce Development Board Chairperson

Each LWDB must elect a chairperson to direct the business of the local board. The chairperson is elected by the members of the LWDB and must be one of the business representatives on the local board. The chairperson may serve no more than two terms in this position; each term may not exceed two years. Additionally, the chairperson may not simultaneously act as the employed executive director, chief operating officer, or chief financial officer of any LWDB or career center while in position as the chairperson.

At a minimum, FloridaCommerce will review the chairperson's term requirements during the LWDB's certification process as described in [Administrative Policy 091 – Local Workforce Development Board Composition and Certification](#). In addition, FloridaCommerce will review each LWDB's composition during its annual programmatic monitoring, which may also include a review of the chairperson's term(s).

The chairperson's duties include but are not limited to:

- a) Leading the LWDB to develop a guiding vision that aligns with the state's priorities;

³ Section 445.007(4)(b).

⁴ Section 445.007(4)(c).

⁵ Section 445.007(4)(d).

- b) Acting as the lead strategic convener to promote and broker effective relationships between CLEOs and economic development, education, and workforce partners in the local area;
- c) Leading an executive committee to guide the work of the LWDB, and ensure that committees or task forces have necessary leadership and membership to perform the work of the LWDB;
- d) Leading the agenda setting process for the year and guiding meetings, ensuring both tactical and strategic work is completed in all meetings;
- e) Appointing members to the Education and Industry Consortium;
- f) Providing the annual performance review of the LWDB executive director to the CLEO(s) and at least once annually to the LWDB, and upon request of the LWDB; and
- g) Appearing before the state workforce development board (state board) to discuss the performance of the LWDB, upon the request of the state board.

5. Local Workforce Development Board Executives

The LWDB may hire a qualified executive director and staff to assist in ensuring the functions of the local board are achieved. The LWDB must ensure the individual or entity designated as the executive director has the requisite knowledge, skills, and abilities to meet identified benchmarks and to assist in effectively and ethically carrying out the functions of the LWDB which include, but are not limited to:

- a) Coordinating with the CLEO(s) regarding the identification and nomination of members to the LWDB and ensuring membership is compliant with WIOA and Florida Statutes;
- b) Ensuring the state workforce development board has accurate and up-to-date information on the local CLEO and LWDB members;
- c) Organizing LWDB meetings and ensuring meetings are held according to the LWDB's bylaws and Florida's sunshine laws;
- d) Developing and submitting the local and regional plan;
- e) Conducting oversight of the WIOA adult, dislocated worker, youth programs and the entire one-stop delivery system, including development of policies and monitoring the administration of the programs;
- f) Negotiating and reaching agreement on local performance measures with the CLEO and FloridaCommerce;
- g) Ensuring the outcomes of local performance measures are provided to the LWDB members and CLEO no less than semi-annually.
- h) Negotiating with CLEO and required partners for the Memorandum of Understanding (as prescribed in [Administrative Policy 106 - Memorandums of Understanding and Infrastructure Funding Agreements](#));
- i) In compliance with local board procurement policy, providing oversight of the competitive procurement process for procuring or awarding contracts for providers of youth program services, providers of workforce services (if applicable), and the one-stop operator as required in paragraph (i) of 20 CFR

- 679.370;
- j) Developing a budget for activities of the LWDBs;
 - k) Certifying the one-stop career centers. One-stop certification requirements may be found in [Administrative Policy 93 – One-Stop Career Center Certification Requirements](#); and
 - l) Providing copies of all monitoring and audit reports and related materials to the LWDB members, LWDB chairperson, and CLEO within five business days of receipt.

Executive directors, chief financial officers, and chief operating officers who represent a LWDB may not personally contract with or otherwise represent more than one LWDB. Under extraordinary circumstances, LWDBs may request approval for a temporary exception to this prohibition from the state board and FloridaCommerce by emailing the request to FloridaCommerce at LWDBGovernance@commerce.fl.gov.

Executive directors, chief operating officers, and chief financial officers may not simultaneously act as members of any LWDB.

6. One-Stop Operator

The one-stop operator is the entity or consortium of entities that coordinates service delivery of required one-stop partners and service providers. WIOA requires LWDBs to use a competitive procurement process to select its one-stop operator and to competitively reprocure these services every four years, in accordance with WIOA sec. 121(d) and 20 CFR 678.600 through 678.635. See [Administrative Policy 097 – One-Stop Operator Procurement](#) for the requirements LWDBs must follow to select one-stop operators.

7. Provider of Workforce Services

LWDBs are required to select the provider of basic and individualized career services (also referred to as “workforce services”) and have the option of being direct providers of workforce services or awarding grants or contracts for these services. WIOA allows LWDBs to be direct providers of workforce services with the agreement of the CLEO in the local area, LWDB, and the Governor. See [Administrative Policy 083 – Direct Provider of Workforce Services](#) for the requirements LWDBs must follow to serve as direct providers of workforce services.

8. Youth Service Provider

LWDBs are required to select providers of youth workforce services through competitive grants or contracts. LWDBs have the option of directly providing some or all youth workforce services rather than awarding grants or contracts for these

services. LWDBs that choose to award grants or contracts for youth workforce services must do so through a competitive procurement process in accordance with WIOA sec. 123 and 20 CFR 681.400. See [Administrative Policy 120 – Youth Service Provider Selection](#) for the requirements LWDBs must follow to select youth service providers.

B. One Entity Performing Multiple Functions

WIOA establishes clear roles and responsibilities for each entity or organization involved in the workforce delivery system. The LWDB must ensure that roles and duties of workforce delivery system entities are clearly delineated. This includes efforts to designate and/or procure the functions of the fiscal agent, staff to the LWDB, one stop operator, direct provider of workforce services, and provider of youth program services.

One entity may perform multiple functions if appropriate firewalls and internal controls are in place. Local entities or organizations often function simultaneously in a variety of roles, including fiscal agent, staff to the LWDB, one-stop operator, provider of workforce services, and provider of youth program services.

See **Section VI.D.** for requirements for LWDBs serving multiple functions.

C. Local Workforce Development Boards as Direct Providers of Workforce Services

Ideally, entities providing workforce services are procured through the LWDB, which is responsible for monitoring and overseeing the contracts, as well as services performed through the contract. The LWDB is designed to oversee the workforce delivery system and its services. Chapter 445.007(6), F.S. allows LWDBs to be designated as the one-stop operator and direct provider of services (except training services), with the agreement of the CLEO and the state board (as delegated by the Governor) based on the criteria established by the state board.

LWDBs seeking to provide workforce services, except training services, will follow the requirements established in [Administrative Policy 083 – Direct Provider of Workforce Services](#).

LWDBs seeking designation as the one-stop operator, must comply with the criteria prescribed in this administrative policy and [Administrative Policy 097 – One-Stop Operator Procurement](#).

D. Local Workforce Development Boards Serving Multiple Functions

Consistent with WIOA sec. 121(d)(4)(A) and (C), LWDBs selected to perform multiple functions in a local area must develop a written agreement with the CLEO to clarify how the LWDB will carry out its responsibilities while demonstrating compliance with WIOA and corresponding regulations, the Uniform Guidance, and conflict of interest policies of both the State and LWDB. (See TEGL 15-16, Section 11. Avoiding

Conflicts of Interest.)

LWDBs serving multiple functions must be able to demonstrate that roles, responsibilities and duties of each function are clearly defined and delineated in locally established processes and procedures that clearly detail:

- a) How functions are sufficiently separated;
- b) Descriptions of the steps the local area has taken to mitigate risks that could lead to impropriety;
- c) Firewalls (physical, technological, policies, etc.) created to ensure such risks are mitigated; and
- d) Oversight and monitoring procedures.

These processes and procedures must be included in the LWDB's WIOA Local Plan.

E. Temporary Assumption of Duties for Procured and Contracted Services

In certain critical circumstances, (e.g., sudden termination of contract or failed procurement), the LWDB may be faced with the need to temporarily assume the role(s) of one-stop operator, direct provider of workforce services, and/or youth program service provider. When this happens for the one-stop operator or workforce services, LWDBs may request to temporarily assume the responsibilities that were being provided by a contracted vendor or services being sought when the procurement failed. Requests for LWDBs to act as a one-stop operator and/or provider of workforce services on a time-limited and temporary basis⁶ must be approved by the CLEO and submitted to FloridaCommerce. The request must include the duration (six months or less) for which the LWDB will act as a one-stop operator or provider of workforce services. Upon receipt of the request, FloridaCommerce will review for compliance with applicable governing authorities and make a recommendation for consideration by the state board. The LWDB must begin the competitive procurement process within 30 days of approval to serve in a temporary capacity. Should the LWDB desire to serve as the one-stop operator, the LWDB must participate in the competitive procurement process as prescribed in [Administrative Policy 091 – One-Stop Operator Procurement](#).

When this happens for youth workforce services, the LWDB is not required to submit a request to FloridaCommerce to assume these responsibilities. However, the LWDB must adhere to the requirements in **Section VI. D.** of this policy when the LWDB serves multiple functions.

1. Sudden Termination of Contract

In the event of a sudden termination of contract, the LWDB must submit a formal request to serve in the capacity of the role in which the contract was terminated.

⁶ In this context, temporary is defined as six months or less.

The LWDB will:

- a) Submit a request to serve in the role in which the contract was terminated;
- b) Provide documentation of the original contract and the termination notification, which should include the reason for termination;
- c) Provide an explanation and an organizational chart showing who will be responsible for assuming the role(s) temporarily. The explanation and organizational chart must clearly illustrate how the following will be enforced to minimize potential risks associated with the temporary designation.
 - 1) Separation of duties; (including but not limited to the temporary removal of duties from certain areas/individuals to allow assumption of the temporary role);
 - 2) Firewalls; (including but not limited to restriction from access to any information that may lead to impropriety); and
 - 3) Conflict of interest requirements.
- d) The length of time in which the LWDB seeks to temporarily serve in the role in which the contract was terminated, not to exceed six months from the date of request.

LWDBs will submit formal requests for temporary designation to FloridaCommerce via email to LWDBGovernance@commerce.fl.gov.

2. Failed Procurement

In the event of a failed procurement, the LWDB must submit a formal request to serve in the capacity of the role for which the procurement failed and provide the following:

- a) A copy of the competitive solicitation;
- b) Proof of the announcement medium used (e.g., newspaper, social media, website, email notification to potential bidders), including documentation showing how long the announcement was posted; and
- c) The length of time the LWDB seeks to temporarily serve in the role.
- d) An explanation and an organizational chart showing who will temporarily be responsible for assuming the role(s). The explanation and organizational chart will clearly illustrate how the following will be enforced to minimize potential risks associated with the temporary designation:
 - 1) Separation of duties; (including but not limited to the temporary removal of duties from certain areas/individuals to allow assumption of the temporary role);

- 2) Firewalls; (including but not limited to restriction from access to any information that may lead to impropriety); and
- 3) Conflict of interest requirements.

Additionally, the LWDB will:

- a) Review the previously issued competitive solicitation and identify any elements that led to the failed procurement (e.g., unrealistic compensation for requested services, duties outside the scope of the role for which services are being sought);
- b) Update and reissue the competitive solicitation (within 30 days of being granted temporary authority to serve in the role in which the procurement was not successful);
- c) Notify FloridaCommerce of the selection upon final approval by the LWDB once an entity is selected; and
- d) Onboard the selected entity of the new solicitation on or before the end of the temporary designation.

The individual or entity contracted to fulfill the role of the LWDB executive director must not be the one-stop operator or the provider of workforce and/or youth program services.

LWDBs will submit formal requests for temporary designation to FloridaCommerce via email to LWDBGovernance@commerce.fl.gov.

3. Local Workforce Development Area Multi-Function Agreement

For circumstances in which an entity or organization, other than the LWDB, has been selected or otherwise designated to perform more than one function, the required contract or written agreement must include a clause to clarify how the entity will carry out its responsibilities while demonstrating compliance with WIOA and corresponding regulations, relevant OMB circulars, and the state's conflict of interest policy. The written clause in the contract or agreement must include, at a minimum, the following requirements:

- a) Definition of roles and responsibilities/duties per function (e.g., fiscal agent, one-stop operator, and/or procured provider of workforce or youth program services);
- b) Description of the separation of staff duties under each role, including deliverables for each separate function;
- c) Description of how budget authority is separated, including separate line-item budgets for each function;

- d) Description of how staff duties will be completed while demonstrating compliance with WIOA and corresponding regulations, OMB circulars, and the state's conflict of interest policy, including how conflict of interest will be minimized;
- e) Description of the roles and responsibilities within the organization, including an organizational chart, and sustainability if a function is removed; and
- f) Description of how fiscal monitoring will occur if the fiscal agent is performing multiple functions.

The written clauses in the agreement are intended to limit conflicts of interest or the appearance thereof, minimize fiscal risk, and develop appropriate firewalls within a single entity performing multiple functions.

F. Governance Agreements

Implementation of a local workforce development system pursuant to WIOA requires CLEOs to play an active role in both strategic planning and ongoing operation of the local workforce development system. When a local area includes more than one unit of general local government, the chief elected officials of such units may execute a written agreement that specifies the respective roles and liability of the individual CLEOs. CLEOs are liable in their official capacity but not personally liable for the misuse of WIOA funds.

1. Interlocal, Consortium, and Other Agreements

The purpose of having interlocal, consortium, or other governing agreements is to ensure the decisions that are delegated to CLEO(s), or a consortium, reflect the agreement of all the chief elected officials in all jurisdictions of a local area and consistent with requirements established in section 163.01, F.S. These agreements are between the chief elected officials of each jurisdiction within the local area and must contain signatures of the representative(s) authorized to enter into such agreements.

The interlocal or consortium agreement will clearly state the level of agreement to be reached amongst the governmental entities involved and identify the roles and responsibilities of the CLEOs within the local area. At a minimum, applicable agreements will address:

- a) **Identification of local workforce development area** - The agreement will clearly identify the units of local government which are covered by the agreement, and which make up the local area.
- b) **Designation and responsibilities of the CLEO** - The parties to the interlocal agreement should identify the county commissioners and/or mayors to serve as

the CLEO(s) of the local area for the purposes of approving local and, if appropriate, regional plans; establishing policy; authorizing WIOA expenditures; establishing contracts; paying for services outside of the local area; or paying costs associated with monitoring or audit findings or sanctions.

Areas where a consortium is serving in the capacity to perform the duties and functions of the CLEO will describe the duties/responsibilities of the consortium, members that make up the consortium, and the authority of its members in an agreement signed by the applicable elected officials or their authorized designee.

- c) **Establishment, appointment, and operation of the LWDB** - The agreement should include an agreed upon process for establishing and appointing the LWDB members, including:
- 1) Membership of the LWDB that is consistent with WIOA and state policy;
 - 2) How the needs of all geographical areas in all jurisdictions will be represented within the local area; and
 - 3) Development of a process for all CLEOs to participate in the LWDB membership appointment process to ensure appropriate and equitable representation from all counties included in the local area and reflect the representation in interlocal, consortium, and/or other agreements.

The following questions may be used to guide such discussions:

- 1) How many members should represent each county in the local area?
 - 2) Should county population be considered when determining LWDB member representation?
 - 3) What is the appropriate level of financial responsibility for each county, and should the financial responsibility be factored into the LWDB member representation?
- d) **Designation and responsibilities of the fiscal agent** - The agreement will identify the entity performing these duties and its responsibilities.
- e) **Process for CLEOs to provide input** - The agreement will include a process for all CLEOs to provide input for the purpose of reaching a consensus on critical decisions that may impact the local workforce development system.
- f) **Liability** - Under WIOA, CLEOs are liable for misspent funds, disallowed costs, funds spent fraudulently, and potential sanctions for nonperformance. Therefore, CLEOs within a local area must agree on how liability will be addressed. The following questions can be used to guide such discussions:

- 1) How will sanctions related to performance be shared among the jurisdictions within the local area?
 - 2) How will the issue of disallowed costs or misspent funds that cannot be covered by federal grant funds be addressed?
 - 3) What is each county's share of the financial responsibility as a percentage of the total amount to be repaid?
- g) **Performance Accountability** – Generally, performance accountability is addressed in the WIOA local plan. However, CLEOs will agree on an approach to performance accountability. The following questions may be used to guide such discussions:
- 1) Who will be responsible for negotiating local performance measures with the state (the executive Director/staff to the board, local board)?
 - 2) Will the local area have any performance criteria in addition to federal and state criteria? How will performance be administratively tracked locally?
 - 3) Will performance-related incentives be shared among the jurisdictions within the local area?
- h) **Dispute Resolution Process** - The governing agreement should include provisions for resolving disputes. Below are possible issues to address in the agreement relative to dispute resolution:
- 1) What types of disputes arise to the level of needing a dispute resolution process?
 - 2) What type of dispute resolution process should be used (mediation, arbitration, consultation with state, etc.)?
- i) **Other Agreement Provisions (Miscellaneous)**
- 1) Duration of the agreement; and
 - 2) Process for modification or termination of the agreement.

2. Bylaws

Bylaws are the provisions by which the local area is governed and the LWDB and its operations are managed. They provide consistency and clarification on the roles and responsibilities of the various representatives governing the local workforce development system. In partnership with the CLEO, the LWDB must ensure that its bylaws are up-to-date and in alignment with requirements of WIOA and state policy. At a minimum, the following should be reflected in the local area's bylaws.

- a) **Purpose and Responsibilities (Functions)** – Describe the purpose of the LWDB (e.g., to set policy and establish oversight of the workforce

development system). Describe the functions or the responsibilities of the LWDB (e.g., the local board has the responsibility to provide strategic and operational oversight, assists in achievement of the State's strategic and operational vision and goals, and maximizes and continues to improve quality of services, customer satisfaction, and effectiveness of services provided). A list of the LWDB's responsibilities can be found in **Section VI.A.3.** of this policy and 20 CFR 679.370.

- b) Membership** – Include the processes and procedures for the following:
- 1) Recruiting, nominating, vetting, and appointing LWDB members;
 - 2) Filling LWDB member vacancies; and
 - 3) Resignation, reasons for disqualification, removal, and reappointment of LWDB members.
- LWDB membership and composition requirements can be found in [Administrative Policy 091 - Local Workforce Development Board Composition and Certification](#).
- c) Authority of LWDB** – Include the power and authorities of the LWDB, including authority to recommend, select, and hire an executive director to perform operational and administrative functions of the local board.
- d) Duties and Terms of the Members** – Describe the duties and term limits of the LWDB members. LWDB member term limit requirements are prescribed in [Administrative Policy 091 - Local Workforce Development Board Composition and Certification](#).
- e) Officers** – Describe the authority of its officers, including terms of office, and LWDB officer duties.
- f) Committees** – Describe the types of committees (e.g. executive committee, finance committee, nominating committee, etc.) as well as their authorities, responsibilities, terms of committee members and chairpersons, who has the authority to appoint committee members, and who may sit on the committees. LWDBs must adopt a committee structure consistent with applicable federal law and state policies.⁷ The LWDB will prohibit any LWDB staff from serving as members of a LWDB committee or subcommittee.
- g) Meetings and Minutes** - Describe frequency of meetings and describe how regular board and committee meetings are planned and conducted. The LWDB will also describe the process and requirements for calling special and

⁷ Section 445.007(7), F.S.

emergency meetings, what constitutes a special or emergency meeting, and who is authorized to call such meetings. This includes but is not limited to the requirement to timely provide the meeting schedule to the LWDB members and the public.

- 1) **Record Keeping** – The LWDB will describe how meeting minutes will be scribed/recorded, retain records of local board members who are present/absent, and record official acts of the board including the number of votes of members (yeas, nays, and abstentions). Meeting minutes must be made available publicly on the LWDB’s website within 15 days of approval by the LWDB.

- 2) **Voting, Board Actions, and Conflict of Interest** – Include voting and quorum requirements, record official acts of the LWDB including the number of votes of members (yeas, nays, and abstentions). Abstentions due to conflict of interest or related party contracts must be recorded, include the name of the abstaining member, and the reason for abstention.

LWDBs must include in their board policies the requirement to conduct regular performance reviews, at a minimum annually, for the executive director. Performance reviews must, at a minimum, include local area performance in the federal and state programs administered by the LWDB, and state-issued letter grades. Additionally, performance reviews must evaluate the executive director’s effectiveness in:

- a) Ensuring workforce investment activities carried out in the local area enable the local area to meet the corresponding performance accountability measures and achieve fiscal integrity as defined in WIOA sec. 106(e)(2).
- b) Meeting the functions outlined in **Section VI.A.5.** of this policy.

The annual performance review must be provided to and reviewed by the CLEO(s).

LWDBs must adhere to requirements in the Grantee-Subgrantee Agreement for board member conflicts of interest disclosures and applicable requirements. This includes but is not limited to the requirement to adopt and abide by a conflict of interest policy that ensures compliance with state and federal law, regulations and policies.

While it is preferable that the elements outlined in **Section VI.F.** of this policy be contained in comprehensive documents as described, it is acceptable that the items identified in this section be contained in separate agreements (memoranda of understanding, governing policies, and procedures, etc.), as long as the requirements of this section are clearly met.

G. Education and Industry Consortiums

Each LWDB must create an education and industry consortium composed of representatives of educational entities and businesses in the designated service delivery area. Education and industry consortiums in each local area must provide quarterly reports to the applicable LWDB which provide community-based information related to educational programs and industry needs to assist the LWDB in making decisions on programs, services, and partnerships in the service delivery area. The LWDB will consider the information obtained from the consortium to determine the most effective ways to grow, retain, and attract talent to the service delivery area. The chairperson of the LWDB will appoint the consortium members. Consortium members will be appointed for two-year terms beginning on January 1 of the year of appointment, and any vacancy on the consortium must be filled for the remainder of the unexpired term in the same manner as the original appointment. Note: A member of a LWDB may not serve as a member of the consortium.

Education and industry consortiums are subject to state law and CareerSource Florida strategic and administrative policies.

H. WIOA Sunshine Provision, Public Disclosures, and Transparency

The WIOA “sunshine provision” requires LWDBs to conduct business in an open manner and make available, on a regular basis through electronic means and open meetings, information about the activities of the LWDB.

In addition to the sunshine provision under WIOA⁸, LWDBs must comply with and adhere to the transparency and public disclosure requirements in section 445.007, F.S. as well as requirements detailed in the Grantee-Subgrantee Agreement. Accordingly, the following items must be posted to each LWDB’s website:

- a) **Local Plans** – Information about the local plan, or modification of the local plan, before submission.
- b) **LWDB members** – A list of current LWDB members and their affiliation (company or entity that the local board member is employed by or owns), and their terms of service.
- c) **Selection of One-Stop Operators** – Information about the activities of the LWDB to select a one-stop operator including Request for Proposals, Question and Answers, and executed contracts.
- d) **Notice of all LWDB meetings** – Notification of all LWDB meetings, including committee meetings, at least seven days before the meeting is to occur. Notice of

⁸ 20 CFR 679.390

special or emergency meetings must be posted at least 72 hours before the meeting is to occur.

- e) **Minutes of formal meetings of the LWDB** – Meeting minutes must be made available publicly on the LWDB’s website within 15 days of approval by the LWDB. The two most recent years of LWDB meeting minutes must be posted.
- f) **LWDB Bylaws** – The most current version of the LWDB’s bylaws must always be publicly available on the LWDB’s website. Changes to the bylaws must be posted within 15 days of approval.
- g) **Interlocal agreement, as applicable** – The most current version of the local area’s interlocal agreement must always be publicly available on the LWDB’s website. Changes to the interlocal agreement must be posted within 15 days of a new or amended agreement being executed by all parties.
- h) **Budget** - Each LWDB must publish the local board’s budget on its website within 10 days after approval by FloridaCommerce. The budget must remain published on the website for the duration of the fiscal year for which it accounts for the expenditure of funds.
- i) **Compensation disclosures** – The Total Compensation for Executive Leadership and Other Specific Employees (Exhibit E of the Grantee-Subgrantee Agreement) form must be posted on the local board’s website upon it being submitted to FloridaCommerce within 30 days after the end of each LWDB’s fiscal year⁹ and remain posted for three years after it is first published. The disclosures must be accompanied by a written declaration provided by the chief financial officer or their designee that they have read the compensation disclosure documents and the facts stated in it are true.
- j) **Employee position and salary information** - Current employee positions and salary information for each position (including performance bonuses).
- k) **LWDB’s IRS Form 990** – Annually, each LWDB must publish its most recent IRS form 990 within 60 calendar days after it is filed with the IRS and remain posted for three years after it is filed. Tax returns for the three most recent years must be posted.
- l) **Statements of Financial Interest** – The LWDB’s website must inform the public that disclosures or statements of financial interest (consistent with requirements in section 112.3144, F.S.¹⁰ or section 112.3145, F.S.¹¹, whichever is appropriate) for each LWDB member and executive director or designated person responsible for the operational and administrative functions of the LWDB, have been filed with the Commission on Ethics and provide information on how each disclosure or statement may be reviewed. The notice to the public must remain on the website throughout the term of office or employment of the filer and until one year after the term on the LWDB or employment ends.

⁹ The disclosure must be posted by July 30th for LWDBs with a June 30th year end and by October 30th for LWDBs with a September 30th year end.

¹⁰ Form 6 – Full and Public Disclosure of Financial Interests

¹¹ Form 1 – Statement of Financial Interests

- m) **Single Audit** – Must be posted for the two most recent years.
- n) Awards of grants or contracts to eligible training providers of workforce investment activities including providers of youth workforce investment activities.
- o) **Related Party Contracts** – All contracts between a local board and one of its own members, an organization represented by one of its own members, a board member’s relatives, an employee of the local board or the employee’s relative, or any entity in which board members, their relatives, or board employees or their relatives has any relationship with the contracting vendor approved on or after July 1, 2021, must be published on the LWDB’s website within 10 days after approval by the local board or FloridaCommerce, whichever is later and must remain published on the board’s website for at least one year after termination of the contract. Such contracts will be identified as related party contracts.
- p) Contracts in excess of \$35,000 – An executed copy of the plain language version of any contract that is estimated to exceed \$35,000 with a private entity, municipality, city, town, or vendor of services, supplies, or programs, including marketing, or for the purchase or lease or use of lands, facilities, or properties for the five most recent years.
- q) All active agreements with another board that delegate partial or complete responsibility for any duties the LWDB is expected, required, or mandated to perform under the Grantee-Subgrantee Agreement or WIOA, even if the cost is not expected to exceed \$35,000.

LWDB members and staff must maintain integrity, accountability and transparency in decisions and actions that earn and protect the public trust in compliance with Workforce Policy 2018.09.26.A.1 Ethics and Transparency. This includes taking all necessary steps to avoid the appearance of conflicts of interest.

The LWDB is subject to open government and confidentiality requirements in Chapters 119 and 286, F.S.¹² The LWDB must appoint a public records coordinator for the purpose of ensuring that all public records matters are handled appropriately.

I. New Board Member Orientation and Annual Training

Members appointed to the LWDB are required to participate in orientation and annual training to ensure they understand the purpose of their participation on the LWDB. The purpose of orientation and training is to provide LWDB members with information that empowers them to effectively serve as a board member. The LWDB is expected to take all reasonable steps necessary to encourage attendance by the CLEO at board member orientation and training.

¹² The LWDB is subject to Chapters 119 and 286, F.S. The LWDB is responsible for responding to public records requests and subpoenas. The LWDB is responsible for ensuring that its staff and agents have a working knowledge of Chapter 119, F.S.

1. New LWDB Member Orientation

All new LWDB members, within six months of appointment, will complete a new board member orientation. The LWDB must develop LWDB member orientation for board members, which will cover at a minimum:

- a) Overview of WIOA;
- b) Overview of the workforce development system and structure;
- c) The state's workforce development system goals and strategies;
- d) The purpose of the LWDB;
- e) LWDB composition, including required members and areas of representation;
- f) Roles and responsibilities of the CLEO, fiscal agent, LWDB, LWDB chairperson, and LWDB executive director and staff;
- g) Required partners and programs;
- h) How the workforce system is funded;
- i) Performance requirements;
- j) Sunshine law requirements; and
- k) Conflict of interest policy and disclosure of potential conflicts of interest.

2. Annual Training Requirements

LWDB members will complete an annual training to remind them of the purpose of their appointment as a member of the LWDB. The annual training will include at a minimum:

- a) The state's workforce development goals and strategies;
- b) The purpose of the LWDB;
- c) Roles and responsibilities of the CLEO, fiscal agent, LWDB, LWDB chairperson, and LWDB executive director and staff;
- d) How the workforce system is funded;
- e) Performance requirements;
- f) Sunshine law requirements; and
- g) Conflict of interest policy.

In addition to the minimum topics required for new member orientation and annual training, LWDBs may add additional topics that meet local needs for creating a knowledgeable, high-performing board. New member orientation and annual training may be offered in-person and/or virtually at the local area's discretion. The LWDB must retain and provide to FloridaCommerce upon request, attendance records of participants and the dates of completion. New board members completing the board member orientation are not required to complete the annual refresher training in the same year they become a new member.

J. State and Local Monitoring

At the local level, the LWDB must conduct oversight of the procurement process and resulting contracts and agreements to ensure all aspects of written agreements and contracts are compliant with federal and state laws and regulations. Additionally, the LWDB must also ensure that governing agreements are upheld. In instances where the LWDB is also the one-stop operator, the LWDB must follow the monitoring requirements outlined in Administrative Policy 097 – One-Stop Operator Procurement. The LWDB must also monitor compliance with this policy.

FloridaCommerce will perform programmatic and fiscal monitoring and will review the local area's agreements and contracts during the annual monitoring review for compliance with federal and state laws and regulations. Findings and other noncompliance issues will be handled through the state's monitoring resolution process.

VII. DEFINITIONS

- a) **Chairperson** is a business representative among the LWDB members who is elected by the LWDB.
- b) **Chief Local Elected Official (CLEO)** (CEO in WIOA sec. 3(9)) means:
 - 1) A chief elected executive officer of a unit of general local government in a local area; and
 - 2) In a case in which a local area includes more than one unit of general local government, the individuals designated under the agreement described in Section 107(c)(1)(B).
- c) **Executive Director** is an individual hired or designated by the LWDB to perform the operational and administrative functions of the local board. The term also includes the roles of chief executive officer and president of the LWDB.
- d) **Fiscal Agent** is the entity designated to perform accounting and funds management on behalf of the CLEO.
- e) **For Cause** includes but is not limited to, engaging in fraud or other criminal acts, incapacity, unfitness, neglect of duty, official incompetence or irresponsibility, misfeasance, malfeasance, nonfeasance, gross mismanagement, waste, or lack of performance.
- f) **Governance Agreements (i.e., Interlocal, Consortium, and other governing agreements)** are written agreements designed to ensure that decisions of CLEO(s) or

a consortium, including how the local board is governed, roles and responsibilities of members, liabilities, etc., are accurately documented and reflect the agreement of the chief elected officials in all jurisdictions of a local area.

- g) **Local Workforce Development Area (LWDA)** is a geographical area that serves as the jurisdiction for the administration of workforce development activities and has been granted such designation by meeting criteria as prescribed in [Administrative Policy 94 – Local Workforce Development Area Designation](#).
- h) **Local Workforce Development Board (LWDB)** is a board established under WIOA sec. 107, to set policy for the local workforce development system.
- i) **Education and Industry Consortium** is a consortium established under section 445.007(15), F. S., which is composed of representatives of educational entities and businesses in the designated local area and meets the criteria established in CareerSource Strategic Policy 2023.09.19.A.2.

VIII. REVISION HISTORY

Date	Description
TBD	
03/04/2024	Issued by Florida Department of Commerce.
02/28/2024	Revised by Florida Department of Commerce and approved by the CareerSource Florida Board of Directors.
07/01/2021	Revised and issued by the Florida Department of Economic Opportunity to incorporate the requirements of the Reimagining Education and Career Help Act of 2021 (House Bill 1507).
03/04/2021	Issued by the Florida Department of Economic Opportunity.
02/18/2021	Approved by CareerSource Florida Board of Directors.

IX. RESOURCES

[WIOA Fact Sheet: Governance and Leadership](#)



2018.09.26.A.1

Workforce Policy

Title:	Ethics and Transparency Policy
Adopted:	09/26/2018
Effective:	12/09/2021

I. PURPOSE AND SCOPE

Providing responsible stewardship for and oversight of publicly funded workforce programs demonstrates strong integrity, accountability, and transparency. The responsibility for this stewardship and oversight is shared in the Florida workforce development system by state and local entities. At every level of the workforce development system, there must be a unified commitment to conduct work in a manner that is business-driven, results-oriented, focused on continuous improvement, and assures accountability to public and private stakeholders including businesses, workers, job seekers, and taxpayers.

This CareerSource Florida Board of Directors policy communicates expectations about ethics and transparency in Florida's workforce system to maintain integrity, accountability and transparency in decisions and actions that earn and protect the public trust.

II. KEY OBJECTIVES

Local workforce development boards (LWDB) must conduct business in an open manner, comply with federal and state laws, and ensure the public has electronic or simplified access to information, including but not limited to:

- Information about state and local plans.
- Professional employment of workforce development board members.
- Selection of one-stop operators.

- Awards of grants or contracts to eligible training providers of workforce investment activities.
- Minutes of formal meetings of workforce development boards; and,
- Workforce development board bylaws.

State and local workforce development boards are required to create and enforce policies reinforcing the importance of ethics in operations and transparency in public meetings. Boards must ensure these policies align with federal and state laws and communicate clear expectations to board members, their designees, employees, and other stakeholders.

III. MEASURABLE PERFORMANCE OUTCOMES

- Compliance with applicable laws governing public meetings, public records, and ethics for public officers.
- Timely submission and review of all documents described in Section V.

IV. BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) is designed to help job seekers access employment, education, training and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Chapter 445, Florida Statutes, creates the Florida workforce development system and implements WIOA.

WIOA Section 107(e) and 20 CFR § 679.390 require LWDBs to make certain information available to the public on a regular basis through electronic means, open meetings and upon request. Additional measures may be taken by state and local policymakers to ensure such information is readily accessible to the public.

The Code of Ethics for Public Officers and Employees, adopted by the Florida Legislature as Chapter 112, Part III, Florida Statutes, contains standards of ethical conduct and disclosures applicable to public officers, employees, candidates, lobbyists, and others in state and local government. Workforce development board members and their designees are subject to the Code of Ethics for Public Officers and Employees.

The state and local workforce development boards are subject to the provisions of Article I, Section 24 of the Florida Constitution and Chapters 119 and 286, Florida Statutes, regarding access to public records and meetings.

Each year, Florida's Attorney General publishes the Government-In-The-Sunshine Manual ("Sunshine Manual"), a reference for compliance with Florida's public records and open meeting laws. The Sunshine Manual provides comprehensive information and guidance about the scope of these open government laws and incorporates relevant judicial decisions and Attorney General opinions. Additional information about Florida's Sunshine Laws, including answers to frequently asked questions, is available through myfloridalegal.com.

V. POLICY AND PROCEDURES

Florida's workforce development system consists of CareerSource Florida, which provides policy oversight; the Florida Department of Commerce (FloridaCommerce), the administrative entity for state workforce programs; and 21 LWDBs, to include the chief local elected officials (CLEO) and boards of directors, as well as the career centers they manage. The State Workforce Development Board requires that the laws, rules, and regulations, referenced and described below be included in local policies and guide organizational decisions and professional actions.

(a) Financial Disclosures – Each member of an LWDB who is not otherwise required to file a full and public disclosure of financial interests under Section 8, Article II of the state Constitution or Section 112.3144, Florida Statutes, shall file a statement of financial interests under Section 112.3145, Florida Statutes. § 445.004(4)(g), Fla. Stat. The executive director or designated person responsible for the operational and administrative functions of the LWDB who is not otherwise required to file a full and public disclosure of financial interests under Section 8, Article II of the State Constitution or Section 112.3144, Florida Statutes, shall file a statement of financial interests under Section 112.3145, Florida Statutes.

As set forth in Section 445.007, Florida Statutes, each LWDB's website must inform the public that each disclosure or statement has been filed with the Commission on Ethics and provide information about how each disclosure or statement may be reviewed. The notice to the public must remain on the website throughout the term of office or employment of the filer and until one year after the term on the LWDB or employment ends.

(b) Contract Disclosures – All contracts between a LWDB and a member of the LWDB; a relative, as defined in Section 112.3143(1)(c), Florida Statutes, of a board member; an organization or individual represented on the LWDB or their relative or an employee or their relative; an organization where a board member or their relatives or an employee or their relative holds a board position; or an employee of the LWDB must be published on the LWDB's website within 10 days after approval by the LWDB or FloridaCommerce, whichever is later. Such contracts must remain published on the board's website for at least one year after termination of the contract.

(c) Budget Disclosures – Each LWDB shall develop a budget for the purpose of carrying out the duties of the LWDB, subject to the approval of the CLEO. Each LWDB shall submit its annual budget for review and approval by FloridaCommerce no later than two weeks after the board chair approves the budget. The LWDB shall publish the budget on its website within 10 days after approval by FloridaCommerce. The budget shall remain published on the website for the duration of the fiscal year for which it accounts for the expenditure of funds.

(d) Employee Compensation Disclosures – Each LWDB shall annually, within 30 days after the end of the fiscal year, disclose to FloridaCommerce, in a manner determined by the department, the amount and nature of compensation paid to all executives, officers, directors, trustees, key employees, and the highest compensated employees, as defined for purposes of the Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax, including salary, bonuses, present value of vested benefits including but not limited to retirement, accrued leave and paid time off, cashed-in leave, cash equivalents, severance pay, pension plan accruals and contributions, deferred compensation, real property gifts, and any other liability owed to such persons.

The disclosure must be accompanied by a written declaration, as provided for under Section 92.525(2), Florida Statutes, from the chief financial officer, or his or her designee, that he or she has read the foregoing document, and the facts stated in it are true. Such information must also be published on the LWDB's website for a period of three years after it is first published.

(e) Internal Revenue Service Form 990 Disclosure – Each LWDB shall annually publish its most recent Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax, on its website. The form must be posted on the LWDB's website within 60 calendar days after it is filed with the Internal Revenue Service and shall remain posted for three years after it is filed.

CareerSource Florida and FloridaCommerce will collaborate with LWDBs to support best practices in organizational ethics and implementation of federal and state transparency requirements.

VI. IMPLEMENTATION AND OVERSIGHT

At the local level, the LWDB must conduct oversight of the LWDB's processes for compliance with applicable laws governing public meetings, public records and ethics for public officers such as:

- Developing specific procedures, processes, and/or guidelines to ensure the LWDB conducts its business in an open, transparent manner as outlined in this policy.
- Developing tools and other resources to track and/or monitor its compliance with this policy.
- Monitoring the LWDB's compliance with this policy no less than annually.

FloridaCommerce will perform programmatic and financial monitoring and will review the local area's business processes and procedures during the annual monitoring review for compliance with federal and state laws and regulations. Findings and other noncompliance issues will be handled through the state's monitoring resolution process.

VII. AUTHORITIES

[Public Law 113-128, the Workforce Innovation and Opportunity Act of 2014 \(WIOA\), Sections 106-110](#)

[20 CFR Part 679—Statewide and Local Governance of the Workforce Development System Under Title I of the Workforce Innovation and Opportunity Act](#)

[Sections 445.003-445.007, Florida Statutes](#)

[Chapter 112, Florida Statutes](#)

[Chapter 119, Florida Statutes](#)

[Chapter 286, Florida Statutes](#)

[FloridaCommerce – Local Workforce Development Board Grantee-Subgrantee Agreement](#)

VIII. HISTORY

Date	Description
TBD	Updated to reflect roles of CareerSource Florida, FloridaCommerce, and LWDBs. Added Key Objectives and Measurable Outcomes.
12/09/2021	Updated to reflect changes to Florida Statutes and requirements of the 2021 Reimagining Education and Career Help (REACH) Act
09/26/2018	Approved by CareerSource Florida Board of Directors

IX. RESOURCES

[Government in the Sunshine Manual](#)

PY 2024-2045
CareerSource Escarosa Board of Directors
Meeting Attendance

Member's Name	PY 2024-2025					
	07/18/2024	09/03/2024 Called Mtg.	10/17/2024	01/30/2025	04/17/2025	
David Bouvin	P	P	P			
Doug Brown	P	P	P			
Jameson Cutchens	P	P	A			
Anthony Eman	P	P	P			
Fred Genkins	A	A				
Steven Harrell		P	P			
Jeffrey Hondorp	P	P	P			
Michele Kelson	P	P	A			
Jerry Kersey, Jr.	P	P	P			
Charlin Knight	P					
Michael Listau	P	P	P			
David Peaden	P	P	P			
Bridgette Price	P	P	P			
Lloyd Reshard	P	P	P			
Ex-Officio Member(s)						
Clara Long	A	P	P			
Lani Burritt	P	P	P			

CareerSource Escarosa Board of Directors Membership Update

TOTAL VACANCIES: 9

Business Sector: 7 (Santa Rosa County – 3 | Escambia County – 4)

Labor Organization: 2

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

Santa Rosa County: 3 - Vacancies

Escambia County: 4 - Vacancies

Filled Seats: 4 – Santa Rosa County

Filled Seats: 3 – Escambia County

Jerry Kersey, Jr.

Lloyd Reshard

Jameson Cutchens

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 (**Steven Harrell**)

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

1 – Economic and Community Development Entity (**Bridgette Price**)

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

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

Membership Terms Due to Expire – 2025

Member	Term Expiration	Area of Representation
None	None	None

Revised: 01.02.2025