

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
MIAMI, FLORIDA**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
JUNE 30, 2020**

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D/B/A CAREERSOURCE SOUTH FLORIDA
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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Governing Body of South Florida Workforce Investment Board
d/b/a CareerSource South Florida
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of South Florida Workforce Investment Board as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the South Florida Workforce Investment Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the South Florida Workforce Investment Board, as of June 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Florida Workforce Investment Board's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and the accompanying Reconciliation of the General Ledger Expenditure Accounts to the State of Florida the State of Florida Subrecipient Enterprise Resource Application System, as required by the Special Guidance Provided by the Florida Department of Economic Opportunity audit requirement are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Reconciliation of the General Ledger Expenditure Accounts to the State of Florida Subrecipient Enterprise Resource Application System and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Reconciliation of the General Ledger Expenditure Accounts to the State of Florida Subrecipient Enterprise Resource Application System and the schedule of expenditures of federal awards are 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 25, 2021, on our consideration of the South Florida Workforce Investment Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 South Florida Workforce Investment Board's internal control over financial reporting and compliance.



Miami, Florida
January 25, 2021

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This section of the South Florida Workforce Investment Board (SFWIB) annual financial report presents Management's Discussion and Analysis (MD&A) of the SFWIB's financial performance during the fiscal year ended June 30, 2020. This section is to be read in conjunction with SFWIB's financial statements and the accompanying notes, which follow this section.

FINANCIAL HIGHLIGHTS

At the end of the current fiscal year, SFWIB's net position totaled \$830,580.

- During fiscal year 2020, SFWIB's expenses in the government-wide financial statements totaled \$39,442,930 for direct program services and administrative expenses. Revenues totaled \$39,351,209.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to SFWIB's basic financial statements. SFWIB's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of SFWIB's finances, using accounting methods similar to those used by private sector business.

The statement of net position presents information on all of SFWIB's assets, deferred outflows, liabilities, and deferred inflows, with the difference between assets and liabilities, deferred inflows, and deferred outflows, reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SFWIB is improving or deteriorating.

The statement of activities presents information showing how SFWIB'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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (cont'd)

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. SFWIB, like all other governmental entities, uses fund accounting to ensure and reflect compliance with finance-related requirements, such as the general statutes and special grant conditions. SFWIB maintains two governmental funds to account for governmental activities:

General Fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - Most of the SFWIB's basic services are accounted for in the special revenue fund. The special revenue fund is used to account for all federal, state, and local grants and contracts.

However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term, inflows and outflows of spendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating SFWIB's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 SFWIB's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *the governmental funds* and *governmental activities*.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

FINANCIAL ANALYSIS OF SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

Government-wide Financial Analysis

Summary of Net Position

The following comparative table summarizes SFWIB's net position as of June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 10,934,452	\$ 10,966,800
Capital assets, net	<u>110,608</u>	<u>130,062</u>
Total assets	<u>11,045,060</u>	<u>11,096,862</u>
Liabilities and deferred inflows:		
Current liabilities	9,012,812	9,260,958
Non-current liabilities	860,341	732,878
Deferred inflows	<u>341,327</u>	<u>180,725</u>
Total liabilities and deferred inflows	<u>10,214,480</u>	<u>10,174,561</u>
Net position:		
Net investment in capital assets	110,608	130,062
Unrestricted net position	<u>719,972</u>	<u>792,239</u>
Total net position	<u>\$ 830,580</u>	<u>\$ 922,301</u>

As of June 30, 2020, current assets totaled \$10,934,452. This is a net decrease of \$32,348 from June 30, 2019, principally attributable to the net effect of an increase in the cash, and a slight decrease in payables as of June 30, 2020. The net effect of this is due to timing differences between when cash is requested and received from grantor agencies, and when invoices are presented for payment.

The decrease of \$19,454 in capital assets is due primarily to the combined effect of depreciation expense of approximately \$56,713 and the acquisition of new assets totaling \$37,259.

Current liabilities of \$9,012,812 decreased by \$248,146 when compared to 2019. This decrease was primarily attributable to a net decrease between accrued payables and account payables as of June 30, 2020, which affected account receivables and is primarily due to timing of invoices presented for payment.

The increase in non-current liabilities of \$127,463 is due to an increase of compensated absences payable to employees; and the increase in deferred inflows is due to a funding decision related to the refugee 2018 grant which increased the fund under this category.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

FINANCIAL ANALYSIS OF SOUTH FLORIDA WORKFORCE INVESTMENT BOARD (cont'd)

Government-wide Financial Analysis (cont'd)

Change in Net Position - Governmental Activities

	<u>2020</u>	<u>2019</u>
Total revenue	\$ 39,351,209	\$ 40,174,159
Total expenses	<u>39,442,930</u>	<u>40,321,142</u>
Change in net position	<u><u>\$ (91,721)</u></u>	<u><u>\$ (146,983)</u></u>

Total revenue and expenses decreased approximately \$822,950 and \$878,212 respectively, during fiscal year 2020. The decrease in revenue and expenses was primarily due to less funding in the Dislocated Workers fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, SFWIB had invested approximately \$110,608 net of accumulated depreciation of approximately \$1,006,843 in a wide range of assets for its Career Centers, and administrative operations including computer equipment, five mobile vehicles, office equipment and furniture and fixtures. See Note 5 to the accompanying financial statements for further analysis.

Long-term Liabilities

SFWIB's long-term liabilities consist of compensated absences payable to SFWIB's employees at some future date in excess of one year after June 30, 2020. The long-term portion of compensated absences payable as of June 30, 2020 was approximately \$860,341. See Note 8 to the accompanying financial statements for further analysis.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Florida Legislature and CareerSource Florida will not provide a final allocation to the SFWIB until late May or early June; therefore, the actual funding awarded to SFWIB is not measurable as of the date of this report.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

CONTACTING SOUTH FLORIDA WORKFORCE INVESTMENT BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide to the citizens, customers, and creditors in Miami-Dade and Monroe Counties as well as grantor agencies with a general overview of the SFWIB's financial position and to demonstrate the SFWIB's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

South Florida Workforce Investment Board - Finance Office
7300 NW 19th Street
Suite 500
Miami, Florida 33126

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	Primary Government
	Total Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 4,134,571
Grants receivable	6,185,413
Prepaid costs	<u>614,468</u>
Total current assets	<u>10,934,452</u>
Non-current assets:	
Capital assets, net	<u>110,608</u>
Total non-current assets	<u>110,608</u>
Total Assets	<u>\$ 11,045,060</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities:	
Accounts payable and accrued expenditures	\$ 8,959,057
Current portion of compensated absences	<u>53,755</u>
Total current liabilities	<u>9,012,812</u>
Non-current liabilities:	
Non-current portion of compensated absences	<u>860,341</u>
Total non-current liabilities	<u>860,341</u>
Total liabilities	<u>9,873,153</u>
Deferred inflows of resources:	
Unearned revenue & advances	<u>341,327</u>
Total deferred inflows of resources	<u>341,327</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,214,480</u>
Net position:	
Invested in capital assets, net of related debt	110,608
Unrestricted	<u>719,972</u>
Total Net Position	<u>\$ 830,580</u>

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenue and Contributions</u>	<u>Net (Expense) Revenue & Changes in Net position</u>
Governmental Activities			
Government grants:			
WIOA - Adult Services	\$ 7,562,356	\$ 7,560,004	\$ (2,352)
WIOA - Dislocated Workers Services	6,167,027	6,163,132	(3,895)
WIOA Supplemental State Level	50,000	50,000	-
Supplemental Nutritional Program	1,175,221	1,174,894	(327)
Reemployment Eligibility Assessment	543,891	540,957	(2,934)
Refugee and Entrant Program	7,037,527	7,037,526	(1)
Trade Adjustment Assistance TAA/TAC/TAT	14,227	14,186	(41)
Disabled Veterans' Outreach Program	108,926	108,926	-
Local Veterans' Outreach Program	9,817	9,817	-
Wagner Peyser	1,174,989	1,173,085	(1,904)
Wagner Peyser 7B - Military Spouse	63,144	63,128	(16)
Temporary Assistance to Needy Families/Welfare Transition Program	8,425,357	8,423,651	(1,706)
WIOA - Youth Services	6,435,293	6,428,546	(6,747)
WIOA - National Emergency	70,076	70,076	-
Wagner Peyser - Incentives	43,833	43,833	-
WIOA - COVID-19 Layoff Aversion Strategy	272,431	272,431	-
Non-federal expenses	<u>288,815</u>	<u>215,560</u>	<u>(73,255)</u>
Total Governmental Activities	<u>\$ 39,442,930</u>	<u>\$ 39,349,752</u>	<u>(93,178)</u>
General Revenue - Contribution Income			<u>1,457</u>
Change in net position			(91,721)
Net position - beginning			<u>922,301</u>
Net position - ending			<u>\$ 830,580</u>

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 1,656,806	\$ 2,477,765	\$ 4,134,571
Grants receivables	371	6,185,042	6,185,413
Due from other funds	-	614,468	614,468
Prepaid expenses	<u>614,468</u>	<u>-</u>	<u>614,468</u>
Total Assets	<u>\$ 2,271,645</u>	<u>\$ 9,277,275</u>	<u>\$ 11,548,920</u>
LIABILITIES			
Accounts payable & accrued expenditures	\$ 23,109	\$ 8,935,948	\$ 8,959,057
Due to other funds	<u>614,468</u>	<u>-</u>	<u>614,468</u>
Total liabilities	<u>637,577</u>	<u>8,935,948</u>	<u>9,573,525</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>-</u>	<u>341,327</u>	<u>341,327</u>
Total liabilities and deferred inflows of resources	<u>637,577</u>	<u>9,277,275</u>	<u>9,914,852</u>
FUND BALANCE			
Non-spendable	614,468	-	614,468
Restricted	-	-	-
Unassigned	<u>1,019,600</u>	<u>-</u>	<u>1,019,600</u>
Total Fund Balance	<u>1,634,068</u>	<u>-</u>	<u>1,634,068</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,271,645</u>	<u>\$ 9,277,275</u>	<u>\$ 11,548,920</u>

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balance - Governmental Funds \$ 1,634,068

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

Capital assets net of accumulated depreciation used in governmental
activities are not financial resources and therefore are not reported in
the governmental fund. 110,608

Compensated absences that are long-term liabilities, are not due and
payable in the current period and therefore, are not reported in the
governmental funds. (914,096)

Net position of Governmental Activities \$ 830,580

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue Fund</u>	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Government grants and contracts	\$ 39,164,192	\$ 25,000	\$ 39,189,192
Other income & interest	<u>161,025</u>	<u>990</u>	<u>162,015</u>
Total Revenue	<u>39,325,217</u>	<u>25,990</u>	<u>39,351,207</u>
EXPENDITURES			
Program costs	35,487,167	35,674	35,522,841
Administration costs	<u>3,838,050</u>	<u>10,697</u>	<u>3,848,747</u>
Total Expenditures	<u>39,325,217</u>	<u>46,371</u>	<u>39,371,588</u>
Excess of revenue over expenditures	-	(20,381)	(20,381)
Fund balance at beginning of year	<u>-</u>	<u>1,654,449</u>	<u>1,654,449</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,634,068</u>	<u>\$ 1,634,068</u>

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balance governmental fund	\$	(20,381)
Amounts reported for governmental activities in the statement of net position are different because:		
Provision for depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities		(56,713)
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		37,259
Change in compensated absences that are long-term liabilities, are not due and payable in the current period and therefore, are not reported in the fund financial statements.		<u>(51,886)</u>
Change in net position of Governmental Activities	\$	<u>(91,721)</u>

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

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1 - General

On March 7, 2006, the Miami-Dade Board of County Commissioners (“BOCC”) passed a resolution approving a new Inter-local Agreement (“ILA”) between Miami-Dade County and Monroe County that created the Local Workforce Investment Board for Region 23 of the State of Florida in accordance with federal and state laws and regulations. On February 5, 2013 Miami-Dade Board of County Commissioners passed a resolution amending the Inter-local Agreement and extending the term four years, set to expire on June 20, 2016. On July 19, 2016 Miami-Dade Board of County Commissioners passed a resolution amending the Inter-local Agreement and extending the term four years, to expire on June 20, 2020. The Local Workforce Investment Board shall be known as the South Florida Workforce Investment Board (“SFWIB”) d/b/a CareerSource South Florida and:

- Shall be a separate public body, corporate and politic, and a governmental agency and governmental instrumentality of both Miami-Dade County and Monroe County.
- The Executive Director shall be selected by the SFWIB and shall be an employee of Miami-Dade County.
- The staff of the SFWIB shall all be employees of Miami-Dade County and shall serve the SFWIB under the supervision and control of the Executive Director of SFWIB.
- The members of the SFWIB shall elect a chairperson of the SFWIB, as required by the Workforce Investment Act of 1998, and such other officers as may be deemed necessary and appropriate by the SFWIB.
- The Chief Elected Official of Miami-Dade County and the administrative service of Miami-Dade County are designated as the local fiscal agent for Region 23 of the State of Florida.
- The Chief Elected Official of Miami-Dade County for and on behalf of Miami-Dade County and the Chief Elected Official of Monroe County for and on behalf of Monroe County shall be the local grant recipients for Region 23 of the State of Florida and shall be liable for any misuse of the grant funds allocated to Region 23.
- Monroe County and Miami-Dade County agreed to assume financial liability for any misuse of grant funds in accordance with State and Federal Law: Monroe County agreed to assume 6.7% of any financial liability for any misuse of grant funds; Miami-Dade County agreed to assume 93.3% of any financial liability for any misuse of grant funds.

In March of 2006, Workforce Florida, Inc. (“WFI”), now CareerSource Florida, approved the charter for Region 23 for South Florida Workforce Board. WFI completed their review of the new Interlocal Agreement and determined the board appointments and plan requirements had been satisfied.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 1 - General (cont'd)

Funding flows from the federal agencies (the U.S. Department of Labor and the U. S. Department of Health and Human Services) to the State of Florida. In the State of Florida, CareerSource Florida, is the policy board that allocates funding to the State's Regions and oversees the performance of the Regions in meeting performance standards established by the U.S. Department of Labor, the Florida Legislature, and CareerSource Florida. At the state level, the Florida Department of Economic Opportunities is the state agency that functions as the administrative entity for CareerSource Florida.

On the local level, the SFWIB is the policy board that plans and oversees the operation of the service delivery system in the Miami-Dade/ Monroe Region, including allocating funding to various community based organizations, for profit and governmental organizations, to provide educational, training and placement services.

Funding was received pursuant to the Workforce Investment Opportunity Act (WIOA) from the U.S. Department of Labor, Employment, and Training Administration, through the State of Florida Department of Economic Opportunities (DEO). The primary objective of WIOA is to establish programs to prepare youth and unskilled adults and dislocated workers for entry into the labor force and to afford job training to individuals facing serious barriers to employment or in need of retraining.

Funding was received from the U.S. Department of Health and Human Services through the State of Florida Department of Economic Opportunities for the purpose of providing employment and related services to those individuals who are current and former welfare recipients under the Temporary Assistance to Needy Families Act, referred to as the Welfare Transition (WT) program, and are deemed eligible for the support by the State of Florida Department of Children and Families Services (DCF).

Funding was provided by the U.S. Department of Health and Human Services, Office of Refugee Resettlement, through the DCF to provide placement services to individuals with the immigration status of entrant and refugee.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation

SFWIB's accounting policies conform with Generally Accepted Accounting Principles applicable to state and local governmental units. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of SFWIB.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a program. *Program revenue* includes operating grants that are used to meet the operational requirements of a particular program.

SFWIB does not legally adopt a budget for the governmental funds and accordingly, a budget to actual comparison has not been presented in the accompanying financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant receipts are deemed to be earned and reported as revenue when SFWIB and its contracted service providers have incurred expenditures in accordance with specific grant requirements. Amounts received but not yet earned are reported as unearned revenues. Interest income is accrued as earned. In applying the susceptible to accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Funds must be expended on the specific purpose as defined in the grant line-item budget or agreement; therefore, revenue is recognized when the related expenditures are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

SFWIB reports the following major governmental funds:

General Revenue Fund – The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - The special revenue fund accounts for specific revenues that are legally restricted to expenditure for particular purposes and includes all federal grants and contracts.

When both restricted and unrestricted resources are available for use, it is SFWIB's policy to use restricted resources first.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Prepaid costs

Other assets are comprised primarily of prepaid rent and insurance under which are accounted for under the consumption method.

Capital assets

Capital assets, which include computer equipment, mobile vehicles, office equipment, office furniture and other equipment, are reported in the government-wide financial statements. Capital assets are defined by SFWIB as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of SFWIB are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment	5 - 10
Office equipment	5 - 7
Office furniture	5 - 7
Other equipment	5 - 7

Net position

Net position represents the difference between assets, deferred outflows, deferred inflows, and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 2 - Summary of Significant Accounting Policies (cont'd)

Fund balance

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which SFWIB is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds consist of the following:

Non-spendable fund balance – includes amounts that are not in spendable form such as prepaid amounts.

Unassigned fund balance – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific programs with the general fund.

Use of estimates

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

Income taxes

SFWIB is fulfilling an essential governmental function. Accordingly, income of SFWIB is excluded from income tax under the provisions of the Internal Revenue Code.

Note 3 - Cash

Cash deposits are held by banks qualified as public depositories under Florida Statutes. All deposits are fully insured by federal insurance and by a multiple financial institution collateral pool required by Florida Statutes, Chapter 280, "The Florida Security for Public Deposits Act."

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 4 - Grant Receivables

As of June 30, 2020, grant receivables generally represent amounts due from grantor agencies for reimbursement of expenditures made by SFWIB, and consisted of the following:

Temporary Assistance to Needy Families (TANF)/Welfare Transition	\$ 746,405
WIOA - Dislocated Worker	342,572
Refugee and Entrant Program	1,795,313
WIOA - Youth Services	655,985
Supplemental Nutrition Assistance Program	314,959
Wagner Peyser	58,337
WIOA - Adult Services	1,843,146
WIOA - National Emergency	48,072
WIOA - Covid-19 Layoff Aversion	272,431
Reemploy Servs & Eligibility(UCRE)	78,313
Disabled Veterans	29,509
Other	<u>371</u>
Total Grants Receivable	<u>\$ 6,185,413</u>

Note 5 - Capital Assets

Capital asset balances and activity for the fiscal year ended June 30, 2020 were as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Depreciable Capital Assets:				
Computer equipment	\$ 687,452	\$ -	\$ -	\$ 687,452
Office equipment	214,552	-	-	214,552
Other equipment	<u>178,188</u>	<u>37,259</u>	-	<u>215,447</u>
Total Depreciable Capital Assets	<u>1,080,192</u>	<u>37,259</u>	-	<u>1,117,451</u>

DEPRECIATION

Less: Accumulated Depreciation for:

Computer equipment	595,915	36,914	-	632,829
Office equipment	178,181	9,462	-	187,643
Other equipment	<u>176,034</u>	<u>10,337</u>	-	<u>186,371</u>
Total Accumulated Depreciation	<u>950,130</u>	<u>56,713</u>	-	<u>1,006,843</u>
Net Capital Assets	<u>\$ 130,062</u>	<u>\$ (19,454)</u>	<u>\$ -</u>	<u>\$ 110,608</u>

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 5 - Capital Assets (cont'd)

Depreciation expense was charged to functions as follows:

Governmental Activities

WIOA - Adult Services	\$ 9,547
Temporary Assistance to Needy Families/ Welfare Transition	6,474
WIOA - Dislocated Worker Services	7,669
WIOA - Youth Services	25,289
Wagner Peyser	5,789
Unemployment Compensation	488
Food Stamp/Supplemental Nutrition Assistance Program	1,242
Wagner Peyser 7B Military Family	60
Other	<u>155</u>
Total	<u>\$ 56,713</u>

Note 6 - Unearned Revenue

As of June 30, 2020, deferred inflows of resources consist of the following:

Wagner Peyser	\$ 100,001
Wagner Peyser Military Family	13,424
City of Homestead	55,308
Wagner Peyser Performance Incentive	178
City of Miami Garden	59,261
Refugee Services 19-20	98,026
TAA Case Management	11,797
Reemployment Services and Eligibility Assessment (RESEA)	2,921
WIOA - Adult Program	251
WIOA - Dislocated Worker Formula Grant	147
Other	<u>13</u>
Total	<u>\$ 341,327</u>

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 7 - Compensated Absences

Governmental Accounting Standards Board (GASB) Statement 16, Accounting for Compensated Absences, requires governmental agencies to record as a liability the vested and future rights to sick and/or vacation leave. Accordingly, consideration of the probability of partially vested employees becoming fully vested and actual past termination payment experience in the determination of the liability was considered. As such, compensated absences in the accompanying financial statements are comprised of accrued vacation, holiday, and sick expenses.

SFWIB's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service. These policies also provide for paying employees unused vacation up to 500 hours and unused sick leave up to 1,000 hours upon termination depending on years of service as per Miami-Dade County leave manual.

Changes in compensated absences for the fiscal year ended June 30, 2020 were as follows:

Beginning balance	\$ 862,210
Additions	1,160,468
Reductions	<u>(1,108,582)</u>
Ending balance	914,096
Estimated current portion	<u>53,755</u>
Long-term portion	<u>\$ 860,341</u>

Note 8 - Related Party Transactions

Contract awards

Miami-Dade County Public Schools, and The District Board of Trustees of Miami Dade College, are members of the South Florida Workforce Investment Board and were paid for program services; The Academy of South Florida is also a related party. These training agents were reimbursed for program services provided during fiscal year 2020 as follow:

Miami-Dade County Public Schools	\$ 1,408,074
The District Board of Trustees of Miami Dade College	654,330
The Academy of South Florida	1,102,291

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 8 - Related Party Transactions (cont'd)

Services

Miami-Dade County, Florida (County) provides payroll processing, procurement, legal, and other services and goods for SFWIB. The County was reimbursed approximately \$229,857 for these services during the fiscal year ended June 30, 2020.

Payroll

SFWIB staff are employees of Miami-Dade and are subject to its employment policies and procedures. All payroll costs are reimbursed to Miami-Dade by SFWIB.

Retirement plan

All SFWIB staff are covered under Miami-Dade County's participation in the State of Florida Retirement System (FRS), a cost sharing, multiple-employer Public Employee Retirement System (PERS). The FRS is now an employee/employer contributory program and is totally administered by the State of Florida.

Benefits are computed based on age, average final compensation, and service credit. Average final compensation is the average of the five highest fiscal years of earnings. The Florida Retirement System provides vesting of benefits after eight years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes benefits.

FRS issues an annual financial report. A copy can be obtained by sending a written request to:

Division of Retirement
1317 Wynnewood Boulevard, Bldg. B
Tallahassee, FL 32399-1560

SFWIB's required contribution rate is established by State statute and was 8.47% of the covered payroll for the fiscal year ended June 30, 2020. Additionally, a 3% employee contribution is mandated by the State of Florida. The required contribution by SFWIB to the FRS for the fiscal year ended June 30, 2020, 2019, and 2018, were approximately \$444,113, \$446,858, and \$419,678, respectively. SFWIB has met all contribution requirements for the current year and the two preceding years.

SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 9 - Risk Management

SFWIB is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets, errors and omissions, and natural disasters for which SFWIB carries commercial liability insurance. There have been no claims in excess of insurance coverage limits during the last fiscal years. Workers' compensation claims are covered by Miami-Dade self-insurance fund. SFWIB makes payments to the self-insurance fund for workers' compensation based on actuarial estimates. SFWIB does not share in the exposure for the difference between payments to the self-insurance fund and actual payments and thus, no claim liability is reported by SFWIB.

Note 10 - Lease Commitments

SFWIB leases office space under various operating leases. The majority of these leases are through the SFWIB, with lease terms extending through June 30, 2025. Total rent expense was approximately \$2,672,839 for the year ended June 30, 2020.

The following is a schedule of the estimated minimum payments required on operating leases as of June 30,

For the year ended June 30,	
2021	\$ 3,396,621
2022	2,642,760
2023	2,151,843
2024	1,329,636
2025	162,417

Note 11 - Contingencies

Grants

Individual grants are subject to financial and compliance audits by the grantors or their representatives during the three-year record retention period. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Based on past experience, SFWIB's management is of the opinion that disallowances, if any, will not have a material impact on the basic financial statements.

Note 12 - Subsequent Events

The SFWIB management evaluated subsequent events through January 25, 2021, the date the financial statements were available to be issued. There were no events which required disclosure in the financial statements.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Identifier	Total Expenditures	Sub-recipient Expenditures
U.S. Department of Labor				
Passed-through:				
Florida Department of Economic Opportunity (DEO)				
Workforce Investment Act (WIA) Cluster:				
WIOA - Adult Program	17.258	037511	\$ 2,763,715	\$ 1,604,534
WIOA - Adult Program	17.258	038294	4,793,619	2,742,277
WIOA -Dislocated Worker Formula Grants - Covid-19 Layoff Aversion Strategy	17.278	039293	272,431	-
WIOA - Youth Activities	17.259	037297	3,625,977	3,169,747
WIOA - Youth Activities	17.259	038121	2,802,656	2,121,662
WIOA Dislocated Worker Formula Grants	17.278	037487	5,820,689	3,225,613
WIOA Dislocated Worker Formula Grants	17.278	038318	342,443	20,305
WIOA - Adult Program	17.258	038320	<u>50,000</u>	<u>50,000</u>
Total Workforce Investment Act (WIA) Cluster			<u>20,471,530</u>	<u>12,934,138</u>
Workforce Investment Opportunity Act (WIOA) National Emergency Grant:				
WIOA National Dislocated Worker- National Emergency Hurricane Irma	17.277	34188	<u>70,076</u>	<u>45,560</u>
Total Workforce Investment Act (WIOA) National Emergency Grant			<u>70,076</u>	<u>45,560</u>
Employment Services (ES) Cluster				
Disabled Veterans' Outreach Program (DVOP)	17.801	037761	27,653	-
Disabled Veterans' Outreach Program (DVOP)	17.801	038560	81,273	-
Local Veterans' Employment Representative (Lver) Program	17.801	037743	4,509	-
Local Veterans' Employment Representative (Lver) Program	17.801	038580	5,308	-
Employment Service/Wagner-Peyser Funded Activities	17.207	037357	43,833	543
Employment Service/Wagner-Peyser Funded Activities	17.207	038222	63,128	-
Employment Service/Wagner-Peyser Funded Activities	17.207	038245	<u>1,173,465</u>	<u>106,986</u>
Total Employment Services (ES) Cluster			<u>1,399,169</u>	<u>107,529</u>
Unemployment Insurance				
Reemployment Services and Eligibility Assessment	17.225	038021	<u>543,627</u>	<u>281,281</u>
Total Unemployment Insurance			<u>543,627</u>	<u>281,281</u>
Trade Adjustment Assistance				
Trade Adjustment Assistance	17.245	037843	1,483	-
Trade Adjustment Assistance	17.245	038477	<u>12,703</u>	-
Total Trade Adjustment Assistance			<u>14,186</u>	-
Total U.S. Department of Labor			<u>22,498,588</u>	<u>13,368,508</u>
U.S. Department of Agriculture				
Passed-through:				
Florida Department of Economic Opportunity (DEO)				
Supplemental Nutrition Assistance Program	10.561	037588	140,058	52,137
Supplemental Nutrition Assistance Program	10.561	038458	<u>1,034,835</u>	<u>511,693</u>
Total U.S. Department of Agriculture			<u>1,174,893</u>	<u>563,830</u>
U.S. Department of Health and Human Services				
Passed-through:				
Florida Department of Economic Opportunity (DEO)				
Temporary Assistance for Needy Families (TANF)				
Temporary Assistance for Needy Families	93.558	038202	1,958,448	1,424,984
Temporary Assistance for Needy Families	93.558	038523	<u>6,465,203</u>	<u>2,648,094</u>
Total Temporary Assistance for Needy Families (TANF)			<u>8,423,651</u>	<u>4,073,078</u>
Passed-through:				
Florida Department of Children and Families				
Refugee and Entrant Assistance - State Administered Programs 10/1/18-9/30/19	93.566	XK050	1,666,671	1,547,830
Refugee and Entrant Assistance - State Administered Programs 10/1/19-9/30/20	93.566	XK050	<u>5,370,856</u>	<u>4,811,404</u>
Total Refugee and Entrant Assistance Program			<u>7,037,527</u>	<u>6,359,234</u>
Total U.S. Department of Health and Human Services			<u>15,461,178</u>	<u>15,096,220</u>
Total Expenditures of Federal Awards			<u>\$ 39,134,659</u>	<u>\$ 24,364,650</u>

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South Florida Workforce Investment Board and is presented using the modified accrual basis of accounting, which is described in Note 2 to South Florida Workforce Investment Board's financial statements. The information on this schedule is presented in accordance with the requirements of OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Indirect Cost Rate

The South Florida Workforce Investment Board has not elected to use the 10 percent de minimus cost rate. The cost rate has been negotiated directly with the Florida Department of Economic Opportunity.

SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

MIAMI, FLORIDA

**REPORTS REQUIRED BY
THE OFFICE OF MANAGEMENT AND BUDGET
(OMB) UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2020



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**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**

Governing Body of South Florida Workforce Investment Board
d/b/a CareerSource South Florida
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of the South Florida Workforce Investment Board ("SFWIB"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the SFWIB's basic financial statements, and have issued our report thereon dated January 25, 2021.

Internal Control over Financial Reporting

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

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item **2020-01** that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SFWIB's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

South Florida Workforce Investment Board's Response to Finding

South Florida Workforce Investment Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. SFWIB's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Miami, Florida
January 25, 2021



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Body of South Florida Workforce Investment Board
d/b/a CareerSource South Florida
Miami, Florida

Report on Compliance for Each Major Federal Program

We have audited South Florida Workforce Investment Board's ("SFWIB") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SFWIB's major federal programs for the year ended June 30, 2020. SFWIB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, SFWIB, 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, 2020.

Report on Internal Control over Compliance

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

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

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

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



Miami, Florida
January 25, 2021

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued

Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes _____ X No
- Significant deficiency identified that are not considered to be material weaknesses? _____ X Yes _____ No
- Non-compliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes _____ X No
- Significant Deficiency identified that are not considered to be material weaknesses? _____ Yes _____ X No

Type of Auditors' Report Issued on Compliance for Major Program: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with The Uniform Guidance? _____ Yes _____ X No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
17.258, 17.259, 17.278	WIOA Cluster
17.225	Unemployment Insurance/Reemployment Services and Eligibility Assessments
93.566	Refugee and Entrant Assistance

Dollar threshold used to distinguish between **Type A** and **Type B** programs: \$1,174,040

Auditee qualified as low-risk auditee? _____ X Yes _____ No

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II - Current Year Findings - Financial Statements Audit

Significant Deficiency

2020-01 Internal Control Over the Accounting Function and Financial Reporting

Criteria

Prudent accounting polices include procedures and controls over the recording, processing, and reporting of accounting events and transactions. Also, under AICPA Code of Professional Conduct ET 1.295 we are required to assess the competency of the individuals designated to oversee the accounting and financial reporting functions being performed. Management should designate an individual that has suitable skill, knowledge, and experience to oversee the services.

Condition

During the June 30, 2020 audit, we noted that the finance department team incur significant turnover of its former senior finance team members and currently does not possess suitable skills, knowledge and /or governmental accounting experience necessary to record transactions and events accurately and timely to efficiently prepare the organization's complete financial statements.

Cause

During the past year, the organization experienced turnover in key management team members of the finance department, as a result significant learning curves and loss of organizational knowledge resulted in inefficiencies in performing key functions and the timely completion of the June 30, 2020 annual financial statements as a result of multiple accounting adjustments.

Effect

Fiscal year 2019 year-end close was not performed and rolled forward to fiscal year 2020, resulting in material differences in the initial trial balance provided for the audit. The fiscal year 2019 year-end close was performed in November 2020, approximately sixteen months after the fiscal year-end; additionally, a considerable amount of time was spent in reconciling revenue, receivables and deferred revenue resulting in several journal entries to properly state year-end account balances.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II - Current Year Findings - Financial Statements Audit (cont'd)

Significant Deficiency (cont'd)

2020-01 Internal Control Over the Accounting Function and Financial Reporting (cont'd)

Recommendation

We recommend that the organization invest in appropriate training for the finance department staff, consider investment in an experienced governmental accountant, as well as implement a system that will provide cross training for all finance team members, this will provide necessary continuity in the event of staff turnover.

View of Responsible Officials and Planned Corrective Actions

The SFWIB Management agrees with the recommendation and will implement the recommendation.

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREER SOURCE SOUTH FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section III - Current Year Findings and Questioned Costs - Major Federal Award Programs Audit

No current year findings.

Section IV - Prior Year Findings - Financial Statements Audit

No prior year findings.

Section V - Prior Year Findings and Questioned Costs - Major Federal Award Programs Audit

No prior year findings.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Governing Body of South Florida Workforce Investment Board
d/b/a CareerSource South Florida
Miami, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of South Florida Workforce Investment Board ("SFWIB") as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 25, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 25, 2021 should be considered in conjunction with this management letter.

Prior Audit Findings

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

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of South Florida Workforce Investment Board are disclosed in the notes to the financial statements.

Additional Matters

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

Purpose of this Letter

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



Miami, Florida
January 25, 2021

SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
RECONCILIATION OF GENERAL LEDGER
EXPENDITURE ACCOUNTS TO THE STATE OF FLORIDA
SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION
FOR THE YEAR ENDED JUNE 30, 2020**

Program	Amount per GL	Program Income	Subtotal	Amount per OSMIS	Difference
WIOA Combined City of Opa-locka Summer Program	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -
WIOA - Adult Program	2,763,715	-	2,763,715	2,763,715	-
WIOA - Adult Program	4,793,619	-	4,793,619	4,796,540	(2,921)
WIOA - Youth Activities	3,625,977	87	3,625,890	3,625,977	(87)
WIOA - Youth Activities	2,802,656	-	2,802,656	2,802,656	-
WIOA Dislocated Worker Formula Grants	5,820,689	-	5,820,689	5,820,689	-
WIOA Dislocated Worker Formula Grants	342,443	-	342,443	342,443	-
WIOA Covid-19 Layoff Aversion Strategy	272,431	-	272,431	271,366	1,065
WIOA National Dislocated Worker- National Emergency Hurricane Irma	70,076	-	70,076	70,076	-
Disabled Veteran's Outreach Program (DVOP)	27,653	-	27,653	27,653	-
Disabled Veteran's Outreach Program (DVOP)	81,273	-	81,273	81,273	-
Local Veterans' Employment Representative (Lver) Program	4,509	-	4,509	4,509	-
Local Veterans' Employment Representative (Lver) Program	5,308	-	5,308	-	5,308
Wagner Peyser Performance Incentives	43,833	-	43,833	44,012	(178)
Wagner Peyser 7B Military Spouse	63,128	-	63,128	63,128	-
Employment Service/ Wagner- Peyser Funded Activities	1,173,465	380	1,173,085	1,173,501	(416)
Reemployment Services and Eligibility Assessment	543,627	-	543,627	543,878	(251)
Trade Adjustment Assistance	1,483	-	1,483	1,483	-
Trade Adjustment Assistance	12,703	-	12,703	13,025	(322)
Supplemental Nutrition Assistance Program	140,058	-	140,058	140,058	-
Supplemental Nutrition Assistance Program	1,034,835	-	1,034,835	1,034,835	-
Temporary Assistance for Needy Families	1,958,448	-	1,958,448	1,958,448	-
Temporary Assistance for Needy Families	6,465,203	-	6,465,203	6,465,203	-

**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
D/B/A CAREERSOURCE SOUTH FLORIDA
NOTE TO THE RECONCILIATION OF GENERAL LEDGER
EXPENDITURE ACCOUNTS TO THE STATE OF FLORIDA
SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1 - Basis of Presentation

The schedule is a reconciliation of certain general ledger expenditure accounts to the State of Florida Sub-recipient Enterprise Resource Application (SERA) for the fiscal year ended June 30, 2020. The information on this schedule is presented in accordance with the requirements of OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Interest income associated with program funds are allocated to the appropriate fund as a reduction in program expenses.