

First Coast Workforce Development, Inc.

Audit Report

June 30, 2021

First Coast Workforce Development, Inc.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
First Coast Workforce Development, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of First Coast Workforce Development, Inc. ("FCWD"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise FCWD'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 major fund of FCWD, as of

June 30, 2021, 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.

Other Matters

Required Supplementary Information

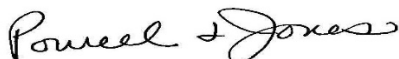
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022 on our consideration of FCWD'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 FCWD's internal control over financial reporting and compliance.



Lake City, Florida
January 14, 2022

First Coast Workforce Development, Inc.

Management's Discussion and Analysis

This discussion and analysis of First Coast Workforce Development, Inc.'s (the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Board's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021:

The Board's overall net position decreased by approximately \$(178,452).

Total ending net position was approximately \$1,734,509.

The Board had total expenses for the year of approximately \$16,124,204 compared to revenues of approximately \$15,945,752.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the Board's activities as a whole and fund financial statements that report on the Board's individual fund.

Government-Wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the Board's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position, the difference between assets and liabilities, can be used to measure the Board's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Board's financial health is improving or deteriorating. However, other non-financial factors, such as changes in state funding, must also be considered when assessing the overall health of the Board.

In these statements, all of the Board's activities are considered to be governmental activities. The Board has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the Board's fund.

- **General Fund** - This fund is accounted for using the modified accrual basis of accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the Board's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

The Board maintains one individual governmental fund. The General Fund is considered to be a major fund and, accordingly, is separately displayed.

First Coast Workforce Development, Inc.

Management's Discussion and Analysis

CONDENSED FINANCIAL INFORMATION

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

Net Position		
	2021	2020
Assets		
Non-capital assets	\$ 3,227,849	\$ 2,605,405
Capital assets, net	96,454	154,916
Total assets	3,324,303	2,760,321
Liabilities		
Current liabilities	1,589,794	847,360
Net Position		
Invested in capital assets	96,454	154,915
Unrestricted	1,638,055	1,758,046
Total Net Position	\$ 1,734,509	\$ 1,912,961

Change in Net Position		
	2021	2020
Program Revenues		
Operating grants and contributions	\$ 15,768,728	\$ 15,434,346
Charges for services and other	174,877	211,376
Interest	2,147	1,763
Total revenues	15,945,752	15,647,485
Program expenses		
Administration	1,909,918	1,921,354
Programs	14,214,286	13,821,798
Total program expenses	16,124,204	15,743,152
Change in net position	(178,452)	(95,667)
Beginning net position	1,912,961	2,008,628
Ending net position	\$ 1,734,509	\$ 1,912,961

First Coast Workforce Development, Inc.

Management's Discussion and Analysis

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$15,945,752 in program revenues and incurred \$16,124,204 of total expenses. This resulted in a \$(178,452) decrease in net position.

THE BOARD'S INDIVIDUAL FUND

General Fund

The General Fund receives a substantial portion of its funding under cost reimbursement contracts. This means that revenues will generally approximate expenditures. The fund balance represents program revenues and unassigned funds to be expended in subsequent years.

BUDGETARY HIGHLIGHTS

The Board adopts an annual appropriated budget for the governmental fund. A budgetary comparison statement is provided for the General Fund in order to present budgetary compliance. There were no amendments to the original budget during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Board's capital assets consist primarily of office equipment. This office equipment is comprised mainly of computers and related equipment.

The disposal of equipment is done with Board authorization usually at the recommendation of the asset custodian. The custodian recommends the disposal of equipment that is no longer performing a useful function. The custodian evaluates the cost of the equipment repairs versus the cost of the equipment replacement. If possible, the Board donates to other agencies furniture and equipment that it can no longer use.

Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Board's capital asset activity.

Debt Administration

The Board has no debt.

First Coast Workforce Development, Inc.

Management's Discussion and Analysis

ECONOMIC FACTORS

Most of the Board's revenues came from federal grants that pass through the Department of Economic Opportunity as well as the Department of Labor. Anything that could influence Federal and State appropriations of these funds will have a direct impact on the Board.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Bruce Ferguson, Chief Executive Officer, 1845 Town Center Boulevard, Suite 250, Fleming Island, Florida 32003.

First Coast Workforce Development, Inc.

**Statement of Net Position
June 30, 2021**

Assets

Current assets:

Cash and cash equivalents	\$ 809,386
Grants and contracts receivable	2,064,873
Other receivables	353,174
Prepaid expense	415
Total current assets	<u>3,227,848</u>

Noncurrent assets

Depreciable capital assets, net	<u>96,454</u>
Total assets	<u>3,324,302</u>

Liabilities

Current liabilities

Accounts payable	<u>1,589,794</u>
Total current liabilities	<u>1,589,794</u>

Net position

Invested in capital assets	96,454
Unrestricted	<u>1,638,055</u>
Total net position	<u>\$ 1,734,509</u>

See notes to financial statements.

First Coast Workforce Development, Inc.

**Balance Sheet
Governmental Fund
June 30, 2021**

Assets	<u>General Fund</u>
Current assets:	
Cash and cash equivalents	\$ 809,386
Grants and contracts receivable	2,064,873
Other receivables	353,174
Prepaid expense	<u>415</u>
Total assets	<u>3,227,849</u>
Liabilities	
Current liabilities:	
Accounts payable	<u>1,589,794</u>
Total liabilities	<u>1,589,794</u>
Fund balance	
Nonspendable - prepaids	415
Unassigned	<u>1,637,640</u>
Total fund balance	<u>1,638,055</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental fund	
Capital assets - net of accumulated depreciation	<u>96,454</u>
Net position of governmental activities	<u><u>\$ 1,734,509</u></u>

See notes to financial statements.

First Coast Workforce Development, Inc.

**Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>
Revenues	
Intergovernmental	\$ 15,768,728
Charges for services	41,863
Miscellaneous	135,160
Total revenues	<u>15,945,751</u>
Expenditures	
Economic Environment	
Administration	1,909,918
Programs	14,155,824
Total expenditures	<u>16,065,742</u>
Deficit of revenues over expenditures	(119,991)
Fund balance, beginning of year	<u>1,758,046</u>
Fund balance, end of year	<u>\$ 1,638,055</u>

See notes to financial statements.

First Coast Workforce Development, Inc.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2021**

Deficit of revenues over expenditures - governmental fund \$ (119,991)

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

Governmental funds report capital outlays as expenditures;
however in the statement of activities, the cost of those assets
is capitalized and depreciated over their estimated useful lives.

Current year depreciation expense (58,462)
Excess of revenues over expenses statement of activities \$ (178,453)

See notes to financial statements.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of First Coast Workforce Development, Inc. (the "Board"), which affect significant elements of the financial statements:

Reporting Entity

The Board was incorporated on January 12, 1996 as a non-profit organization. The Board's mission is to promote and enhance productive employment of individuals in the Florida counties of Baker, Clay, Duval, Nassau, Putnam and St. Johns (RWB Region 8). The Board was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996, the Federal Workforce Investment Act of 1998 and the Florida Workforce Innovation Act of 2000, consistent with the provision of job training, job placement and benefit services to the citizens of the six county regions. The governing body of the Board consists of board members who are appointed by state and local officials.

The Board is the grant recipient and grant administrator for the following grants and programs in RWB Region 8:

Workforce Investment and Opportunity Act (WIOA) - WIOA programs provide youth, adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers. WIOA National Emergency Grant funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to reemploy laid off workers and enhance their employability and earnings.

Military Spouse - This funding provides support for military spouses through education and employment in high skill/high wage occupations.

Wagner-Peyser - Wagner-Peyser programs are designed to improve the functioning of the nation's labor markets by bringing together individuals who are seeking employment with employers who are seeking workers.

Sector Partnership - The grant provides dislocated workers with skill assessment, job training, and re-employment services. All services are based on employment opportunities in high growth local industry sectors.

Re-employment and Eligibility Assessments - The Worker Profiling and Reemployment Services (WPRS) system, mandated by Public Law 103-152 of the Unemployment Compensation Amendments of 1993, is designed to identify and rank or score unemployment insurance claimants by their potential for exhausting their benefits for referral to appropriate reemployment services.

Trade Adjustment Assistance (TAA) - The TAA program provides adjustment assistance to qualified workers adversely affected by foreign trade.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disabled Veterans Outreach Program (DVOP) - DVOP grants are used to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through community agencies and organizations.

Local Veterans Employment Representative (LVER) -The LVER program provides counseling, job development, placement and support services directly to veterans.

Supplemental Nutritional Assistance Program (SNAP) - SNAP programs provide funding grants for administrative and programmatic costs incurred to operate the Food Stamp Program for able-bodied adults without children. The goal of the program is to provide job placement.

Temporary Assistance for Needy Families (TANF) - TANF programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work with the goal of economic self-sufficiency.

Criteria for determining if other entities are potential component units of the Board which should be reported with the Board's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the Board's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Board.

Reporting Model

The Board was incorporated as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, due to the structure established to approve Board members, management has determined that the Board is required to report under generally accepted accounting principles for state and local governments.

Government-wide Financial Statements

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

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

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fund Financial Statements

The financial transactions of the Board are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental fund.

Governmental Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources.

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 timing of related cash flows.

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

Most revenues are considered to be susceptible to accrual and have been recognized in the current fiscal period. Certain 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 the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The institution in which the Board's monies are deposited is certified as a "Qualified Public Depository," as required under the Florida Security for Public Deposits Act. This law requires every qualified public depository to deposit with the State eligible collateral equal to or in excess of an amount to be determined by the State and requires the State to ensure that funds are entirely collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

Grants and Contracts Receivable

Grants and contracts receivable consist of amounts due from grantor agencies and subrecipients for reimbursement of expenditures under various programs as of June 30, 2021. All amounts are expected to be collected within the next year. The Board considers all receivables to be fully collectible. No allowance for doubtful accounts is included in the financial statements.

Capital Assets and Depreciation

Capital assets are defined by the Board as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of 5 to 10 years.

Indirect Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Costs shared by more than one program are allocated to the appropriate programs using a combination of full-time equivalent employees that work within each program and a ratio of the number of active participants served by each program.

Revenue Sources

Generally, revenue is received from the State of Florida Department of Economic Opportunity and is earned on a cost reimbursement basis.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Budgets and Budgetary Process

The Board adopts an annual operating budget, which can be amended throughout the year, and which is presented as required supplementary information. For the General Fund, the modified accrual basis of accounting is used to reflect budgeted revenues and expenditures. The fund is the legal level of control.

Fund Balance

The Board follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance - includes amounts restricted by external sources or by constitutional provision or by enabling legislation.

Committed fund balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board's highest level of decision-making authority, which is a resolution.

Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.

Assigned fund balance - Assigned fund balances are amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance - includes amounts that have not been assigned, committed, or restricted within the General Fund.

The Board's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Exempt Status

The Board is exempt from federal Income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Board had no uncertain income tax positions. As required by the Internal Revenue Service's regulations, the Board annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service.

Subsequent Events

The Board has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 14, 2022, the date which the financial statements were available to be issued.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable are from the State of Florida and are for the following programs:

WIOA Adult	\$	516,308
WIOA Dislocated Worker		48,314
WIOA Youth		631,970
WIOA Apprenticeship Navigator		8,681
Welfare Transition		592,752
Wagner-Peyser		47,826
Supplemental Nutrition Assistance Program		57,454
Local Veterans' Employment Representative		4,423
Disabled Veterans' Outreach Program		7,042
Trade Adjustment Assistance		8,685
Reemployment Services and Eligibility Assessment		43,415
National Emergency COVID-19		98,003
Total	\$	<u>2,064,873</u>

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 3 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets being depreciated:				
Furniture and equipment	\$ 101,150	\$ -	\$ -	\$ 101,150
Computer equipment	385,581	-	-	385,581
Vehicles	77,996	-	-	77,996
Software	109,016	-	-	109,016
Total assets being depreciated	<u>673,743</u>	<u>-</u>	<u>-</u>	<u>673,743</u>
Less accumulated depreciation for:				
Furniture and equipment	75,505	6,028	-	81,533
Computer equipment	266,748	48,478	-	315,226
Vehicles	77,996	-	-	77,996
Software	98,578	3,956	-	102,534
Total accumulated depreciation	<u>518,827</u>	<u>58,462</u>	<u>-</u>	<u>577,289</u>
Governmental activities, net	<u>\$ 154,916</u>	<u>\$ (58,462)</u>	<u>\$ -</u>	<u>\$ 96,454</u>

Depreciation was charged to functions/programs as follows:

Economic Environment	\$58,462
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NOTE 4 - RISK MANAGEMENT PROGRAMS

Insurance coverage is being provided through purchased commercial insurance. Settled claims (if any) resulting from these risks have not exceeded commercial coverage in the past three years.

NOTE 5 – RELATED PARTY TRANSACTIONS

Pursuant to Section 163.01(7) of Chapter 163, *Florida Statutes*, the First Coast Workforce Development Consortium (the Consortium), a special district governmental entity, provides personnel and acts as the employer of record for the Board. During the year ended June 30, 2021, the Board incurred costs of \$8,082,434 to the Consortium for contract labor including fringe benefits.

The Board has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Board of Directors, to carry out its training programs. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of the individual participants.

First Coast Workforce Development, Inc.

Notes to Financial Statements

NOTE 6 - LEASES

The Board leases its home and field offices under operating leases with remaining terms of one to five years. The Board is responsible for insuring this personal property located in these offices.

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

<u>Year Ending June 30,</u>	
2022	\$ 939,648
2023	690,990
2024	396,746
2025	283,715
2026	92,124
Total	<u>\$ 2,403,223</u>

Lease expense for the fiscal year ended June 30, 2021 totaled \$1,201,586.

NOTE 8 – IN-KIND CONTRIBUTIONS

In-kind contributions of services, goods or space may be donated during the year. Contribution of services are recognized as in-kind at their fair market value when they create or enhance nonfinancial assets, or they require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. In-kind contributions of infrastructure costs, shared services and operating costs of \$27,597 are recognized in the financial statements for June 30, 2021 at estimated fair market value.

NOTE 9 - ECONOMIC DEPENDENCY

The Board's primary sources of revenue are from Workforce Innovation and Opportunity Act (WIOA) grants, Food Stamp Employment and Training (FSET) grants, Temporary Assistance for Needy Families (TANF) grants, and Wagner-Peyser grants. These grants must be periodically renewed.

NOTE 10- CONTINGENCIES

There is a contingent liability due to the fact that all required regulatory audits of the Board's operations and project closeout procedures have not been completed for all projects administered. Any eventual expenditures determined not to be in compliance with grant regulations could be subject to repayment by the Board.

REQUIRED SUPPLEMENTARY INFORMATION

First Coast Workforce Development, Inc.

**Budgetary Comparison Schedule
General Fund**

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 17,404,000	\$ 17,404,000	\$ 15,768,728	\$ (1,635,272)
Charges for services	1,575,000	1,575,000	41,863	(1,533,137)
Miscellaneous	-	-	135,160	135,160
Total revenues	<u>18,979,000</u>	<u>18,979,000</u>	<u>15,945,751</u>	<u>(3,033,249)</u>
Expenditures				
Economic Environment				
Administration	1,909,918	1,909,918	1,909,918	-
Programs	17,044,082	17,044,082	14,155,824	2,888,258
Capital outlay	25,000	25,000	-	25,000
Total expenditures	<u>18,979,000</u>	<u>18,979,000</u>	<u>16,065,742</u>	<u>2,913,258</u>
Deficit of revenues over expenditures	-	-	(119,991)	(119,991)
Fund balance, beginning of year	<u>1,776,547</u>	<u>1,776,547</u>	<u>1,758,046</u>	-
Fund balance, end of year	<u>\$ 1,776,547</u>	<u>\$ 1,776,547</u>	<u>\$ 1,638,055</u>	<u>\$ (119,991)</u>

See notes to required supplementary information.

First Coast Workforce Development, Inc.
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

A. Budgetary Information:

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

The Organization generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

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

B. Excess of Appropriations Over Expenditures

Appropriations were greater than expenditures in the General Fund.

**First Coast Workforce Development, Inc.
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Contract Number	Federal CFDA Number	Contract Amount	Accrued (Deferred) Revenue June 30, 2020	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2021	Passed through to Subrecipients
U.S. Department of Agriculture									
Passed through the Florida Department of Economic Opportunity									
Supplemental Nutrition Assistance Program	10/01/2019-09/30/2020	FSH20	10.561	\$ 476,535	\$ 60,299	\$ 160,384	\$ 100,085	\$ -	\$ -
Supplemental Nutrition Assistance Program	10/01/2020-09/30/2021	FSH21	10.561	389,264	-	325,316	382,770	57,454	-
Total U.S. Department of Agriculture				<u>865,799</u>	<u>60,299</u>	<u>485,700</u>	<u>482,855</u>	<u>57,454</u>	<u>-</u>
U.S. Department of Labor									
Passed through the Florida Department of Economic Opportunity:									
Reemployment Services and Eligibility Assessments	01/01/2019-07/31/2020	UCR19	17.225	234,382	11,737	22,178	10,441	-	-
Reemployment Services and Eligibility Assessments	01/01/2020-09/30/2021	UCR20	17.225	155,317	-	54,546	97,961	43,415	-
				<u>389,699</u>	<u>11,737</u>	<u>76,724</u>	<u>108,402</u>	<u>43,415</u>	<u>-</u>
Trade Adjustment Assistance Training	07/01/2019-09/30/2020	TAT18	17.245	89,308	3,373	32,764	29,391	-	-
Trade Adjustment Assistance Training	10/01/2020-09/30/2021	TAT19	17.245	90,692	-	44,239	47,557	3,318	-
Trade Adjustment Assistance Case Management	07/01/2019-09/30/2020	TAC18	17.245	96,856	12,346	37,528	25,182	-	-
Trade Adjustment Assistance Case Management	10/01/2020-09/30/2021	TAC19	17.245	113,000	-	59,084	64,451	5,367	-
				<u>389,856</u>	<u>15,719</u>	<u>173,615</u>	<u>166,581</u>	<u>8,685</u>	<u>-</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster									
WIOA Supplemental State Level	07/01/2019-12/31/2020	WIS20	17.258,17.259,17.278	259,180	-	259,180	259,180	-	-
WIOA Supplemental State Level	07/01/2020-06/30/2021	WIS20	17.258,17.259,17.278	643,000	-	643,000	643,000	-	-
WIOA Rural Initiatives	07/01/2019-06/30/2020	WIS18	17.258,17.259,17.278	93,751	19,045	19,045	-	-	-
WIOA Rural Initiatives	07/01/2020-06/30/2021	WIS19	17.258,17.259,17.278	93,750	-	93,750	93,750	-	-
WIOA COVID - 19 PPE	04/01/2020-12/31/2020	WIS19	17.258,17.259,17.278	30,000	14,281	14,281	-	-	-
WIOA Performance Incentives PY17-18	07/01/2019-12/31/2020	WIS19	17.258,17.259,17.278	47,783	(47,784)	-	47,784	-	-
WIOA Performance Incentives PY19-20	07/01/2019-12/31/2020	WIS19	17.258,17.259,17.278	123,260	-	123,260	123,260	-	-
WIOA Sector Strategies	03/01/2019-03/31/2021	WIS19	17.258,17.259,17.278	58,354	24,340	58,354	34,014	-	-
WIOA Apprenticeship Expansion	02/01/2019-08/31/2020	WIS19	17.258,17.259,17.278	84,822	677	1,974	1,297	-	-
WIOA Adult	07/01/2020-06/30/2022	WIA21	17.258	2,717,289	-	641,210	1,157,518	516,308	6,822
				<u>4,151,189</u>	<u>10,559</u>	<u>1,854,054</u>	<u>2,359,803</u>	<u>516,308</u>	<u>6,822</u>
WIOA Youth	04/01/2019-06/30/2021	WIY20	17.259	2,619,436	648,437	1,621,579	973,142	-	452,012
WIOA Youth	04/01/2020-06/30/2022	WIY21	17.259	2,792,446	-	1,436,825	2,068,795	631,970	1,229,090
				<u>5,411,882</u>	<u>648,437</u>	<u>3,058,404</u>	<u>3,041,937</u>	<u>631,970</u>	<u>1,681,102</u>

Continued

First Coast Workforce Development, Inc.
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021
(Continued)

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Contract Number	Federal CFDA Number	Contract Amount	Accrued (Deferred) Revenue June 30, 2020	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2021	Passed through to Subrecipients
U.S. Department of Labor continued									
WIOA Apprenticeship Navigator	12/03/2020-12/31/2021	WRS20	17.278	\$ 75,000	\$ -	\$ -	\$ 8,681	\$ 8,681	\$ -
WIOA Performance Incentives PY19-20	01/01/2020-05/31/2021	WRS19	17.278	92,445	-	92,445	92,445	-	-
WIOA Dislocated Worker	07/01/2019-06/30/2021	WID20	17.278	3,347,040	291,581	2,876,910	2,585,329	-	15,861
WIOA Dislocated Worker	07/01/2020-06/30/2022	WID21	17.278	3,334,891	-	74,130	122,444	48,314	540
				<u>6,849,376</u>	<u>291,581</u>	<u>3,043,485</u>	<u>2,808,899</u>	<u>56,995</u>	<u>16,401</u>
Total Workforce Innovation and Opportunity Act (WIOA) Cluster				<u>16,412,447</u>	<u>950,577</u>	<u>7,955,943</u>	<u>8,210,639</u>	<u>1,205,273</u>	<u>1,704,325</u>
Passed through the Florida Department of Economic Opportunity:									
Workforce Innovation Act National Emergency Grant	09/06/2017-03/31/2021	WNI18	17.277	644,310	(16)	(152)	(136)	-	-
Workforce Innovation Act National Emergency Grant	04/13/2020-03/31/2022	WNC20	17.277	2,000,000	44,077	737,917	791,843	98,003	-
				<u>2,644,310</u>	<u>44,061</u>	<u>737,765</u>	<u>791,707</u>	<u>98,003</u>	<u>-</u>
Employment Service Cluster:									
Wagner Peyser WP 7B SFY20-21 Military Family □	07/01/2020-06/30/2021	WPB20	17.207	53,842	-	53,842	53,842	-	-
Wagner Peyser WP 7B SFY19-20 Military Family □	07/01/2019-06/30/2020	WPB20	17.207	66,026	(2,816)	-	-	-	-
Wagner Peyser	07/01/2019-09/30/2020	WPA20	17.207	921,332	102,116	688,017	585,901	-	-
Wagner Peyser	07/01/2020-09/30/2021	WPA21	17.207	879,442	-	412,804	460,630	47,826	-
				<u>1,920,642</u>	<u>99,300</u>	<u>1,154,663</u>	<u>1,100,373</u>	<u>47,826</u>	<u>-</u>
Veterans Program-Disabled Veterans	10/01/2019-12/31/2020	DVP20	17.801	196,447	25,066	77,284	52,218	-	-
Veterans Program-Disabled Veterans	10/01/2020-12/31/2021	DVP21	17.801	88,947	-	58,562	65,604	7,042	-
Veterans Program-Local Veterans Employment Representative	10/01/2019-12/31/2020	LVR20	17.801	86,041	6,299	33,326	27,027	-	-
Veterans Program-Local Veterans Employment Representative	10/01/2020-12/31/2021	LVR21	17.801	50,127	-	36,393	40,816	4,423	-
				<u>421,562</u>	<u>31,365</u>	<u>205,565</u>	<u>185,665</u>	<u>11,465</u>	<u>-</u>
Total Employment Service Cluster				<u>2,342,204</u>	<u>130,665</u>	<u>1,360,228</u>	<u>1,286,038</u>	<u>59,291</u>	<u>-</u>
Total U.S. Department of Labor				<u>22,178,516</u>	<u>1,152,759</u>	<u>10,304,275</u>	<u>10,563,367</u>	<u>1,414,667</u>	<u>1,704,325</u>
U.S. Department of Health and Human Services									
Passed through the Florida Department of Economic Opportunity									
Welfare Transition Program	10/01/2019-08/31/2020	WTS20	93.558	4,018,221	343,950	1,171,980	828,030	-	43,955
Welfare Transition Program	07/01/2020-11/30/2020	WTS20	93.558	1,049,530	-	1,049,530	1,049,530	-	8,673
Welfare Transition Program	10/01/2020-08/15/2021	WTS21	93.558	3,507,944	-	2,224,595	2,817,347	592,752	15,196
				<u>8,575,695</u>	<u>343,950</u>	<u>4,446,105</u>	<u>4,694,907</u>	<u>592,752</u>	<u>67,824</u>
Total U.S. Department of Health and Human Services				<u>8,575,695</u>	<u>343,950</u>	<u>4,446,105</u>	<u>4,694,907</u>	<u>592,752</u>	<u>67,824</u>
Total Federal Awards				<u>\$ 31,620,010</u>	<u>\$ 1,557,008</u>	<u>\$ 15,236,080</u>	<u>\$ 15,741,129</u>	<u>\$ 2,064,873</u>	<u>\$ 1,772,149</u>

See notes to schedule of expenditures of federal awards.

First Coast Workforce Development, Inc.

Notes to Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of First Coast Workforce Development, Inc. and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Expenditures are recognized following the cost principles contained in the Uniform Guidance.

First Coast Workforce Development, Inc. did not elect to use the 10 percent de minimis indirect cost rate.

NOTE 3- RECONCILIATION OF FINANCIAL RECORDS TO THE DEPARTMENT OF ECONOMIC OPPORTUNITY’S SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION (SERA)

The year-to-date grant expenditure totals reported in First Coast Workforce Development, Inc.'s financial statements are reconciled to SERA report totals. Differences between the amounts reported in FCWD's financial records and the reported totals in SERA occur frequently, since additional costs, from invoices received after the due dates of SERA reports, may be recognized in the financial statements in accordance with the Organization's normal month-end closing procedures.

NOTE 4 – ALLOCATION OF WIOA FUNDING

Funds received from DEO grants under Contract numbers WIS19 and WIS20 were allocated to Federal CFDA numbers as follows:

	Federal CFDA Number	WIS19	WIS20
WIOA Adult	17.258	\$ 99,035	\$ 289,847
WIOA Youth	17.259	99,035	283,799
WIOA Dislocated Worker	17.278	102,035	328,534
		<u>\$ 300,105</u>	<u>\$ 902,180</u>

ADDITIONAL REPORTS



Powell & Jones
Certified Public Accountants

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

Board of Directors
First Coast Workforce Development, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of First Coast Workforce Development, Inc. (the "Board") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

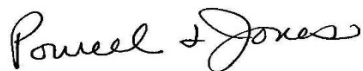
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of 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*.

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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

Lake City, Florida
January 14, 2022



Powell & Jones
Certified Public Accountants

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

Board of Directors
First Coast Workforce Development, Inc.

Report on Compliance for Each Major Federal Program

We have audited First Coast Workforce Development, Inc.'s (the "Board") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The Board'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board'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 the Board'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 on the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board 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, 2021.

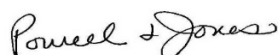
Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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 the Board'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.



Lake City, Florida
January 14, 2022

**First Coast Workforce Development, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting	
• Material weakness(es) identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Program or Cluster</u>
	<u>U.S. Department of Labor</u>
	<i>Workforce Innovation and Opportunity Act (WIOA Cluster)</i>
17.258	Adult
17.259	Youth
17.278	Dislocated Worker
	<u>U.S. Department of Labor</u>
	<i>Workforce Innovation and Opportunity Act</i>
17.277	<i>National Emergency Grant</i>

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

(Continued)

First Coast Workforce Development, Inc.
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

SECTION V - OTHER

None