



May 6, 2022 - 2:00 PM-2:30PM
Zoom Meeting

Zoom Info:

*Join via Zoom – Meeting ID: 338 034 9468

[Zoom Link](#)

*Dial In via Phone – Meeting ID: 338 034 9468

Phone: +1 646-558-8656

Audit Committee Meeting Agenda

- I. Welcome and Introductions Dr. Rebecca Sarlo, Chair
- II. Public Comments
- III. Roll Call
- IV. Action/Discussion Items
 - 1. Approval of Minutes – December 15, 2021, Audit Meeting.....Page 1
 - 2. Approval of Audit of 6.30.22 Financial Statements.....Page 4
 - 3. Approval of Annual 401K Audit.....Page 33
- V. Other Administrative Matters
- VI. Open Discussion
- VII. Adjournment

Finance Committee – June 29, 2022 (10:00 am - 11:00 am)
 Audit Committee – TBD, 2022 (11:00 am - 12:00 pm)
 Compensation Committee – TBD, 2022 (11:00 am - 12:00 pm)
 Workforce Solutions Committee – June 23, 2022 (2:30 pm - 3:00 pm)
 One-Stop Committee – June 23, 2022 (9:00 am - 10:00 am)
 Next Board of Directors Meeting – May 26, 2022 (11:45 am - 12:45 pm)

**All parties are advised that if you decide to appeal any decision made by the Board with respect to any matter considered at the meeting or hearing, you will need a record of the proceedings, and that, for such purpose, you may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

**If you have a disability and need an accommodation in order to participate in this meeting, please contact the Executive assistant at 727-608-2551 or admin@careersourcepinellas.com at least two business days in advance of the meeting.*





ACTION ITEM 1

Approval of Minutes

In accordance with Article VII, Section 1(H), of the approved WorkNet Pinellas By-Laws: Minutes shall be kept of all Board and Committee meetings. Minutes shall be reviewed and approved at the next CareerSource Pinellas Board or Committee meeting as appropriate.

The official minutes of meetings of the Board and Committees of the Board are public record and shall be open to inspection by the public. They shall be kept on file by the Board Secretary at the administrative office of CareerSource Pinellas as the record of the official actions of the Board of Directors.

The draft minutes from the December 15, 2021, meeting of the Audit Committee have been prepared and are enclosed.

RECOMMENDATION

Approval of the draft minutes, to include any amendments necessary.

**CareerSource Pinellas
Audit Committee Minutes**

Date: December 15, 2021 – 11:00 A.M.

Location: Virtual Zoom Meeting

Call to Order

Committee Chair, Dr. Rebecca Sarlo, was unable to attend the meeting, so Barclay Harless chaired the meeting in her place. He called the meeting to order at 11:02 am.

Committee Members in attendance

Barclay Harless, David Fetkenher, Commissioner René Flowers

Committee Members Absent

Dr. Rebecca Sarlo

Guests Present

Allison Harrell – Thomas Howell Ferguson P.A., Stacey Kolka – Thomas Howell Ferguson P.A.

Staff Present

Jennifer Brackney, Steven Meier, Leah Geis

Public Comments – None

Action Items

Action Item 1 – Approval of Minutes

The minutes of October 27, 2021, Audit Committee Meeting were presented for approval.

Motion: Barclay Harless

Second: Commissioner René Flowers

The minutes were approved as presented. The motion carried unanimously. There was no further discussion.

Action Item 2 – Annual Financial Audit For the Fiscal Year Ended June 30, 2021

The audit firm of Thomas Howell Ferguson P.A. has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2021. Allison Harrell, Engagement Partner with Thomas Howell Ferguson, P. A. presented the Audited Financial Statements and advised the Audit Committee of the *Auditor’s Communication with Those Charged with Governance*.

Recommendation

Approval of the Annual Financial Audit for the fiscal year ended June 30, 2021.

Discussion: None.

Motion: David Fetkenher

Second: Commissioner René Flowers

The Audit Committee made a motion to approve of the Annual Financial Audit for the fiscal year ended June 30, 2021. The motion carried unanimously. There was no further discussion.

Action Item 3 – 2020 IRS Form 990

WorkNet Pinellas' IRS Form 990 has been completed for the period beginning July 1, 2020 and ending June 30, 2021. One of the Form 990 requirements is that a copy will be provided to each voting member of the Board, prior to filing it with the IRS. Stacey Kolka, Senior Tax Manager with Thomas Howell Ferguson P.A. presented the Form 990. The 990 form will be filed after approval by the full Board of Directors meeting in January 2022.

Recommendation

Approval of the 2020 IRS Form 990.

Discussion: None

Motion: David Fetkenher
Second: Commissioner René Flowers

The Audit Committee made a motion for approval of the 2020 IRS Form 990. The motion carried unanimously. There was no further discussion.

Other Administrative Matters: There were no other administrative matters.

Open Discussion – None.

Adjournment

Barclay Harless adjourned the meeting at approximately 11:29 am.



ACTION ITEM 2

Audit of June 30, 2022, Financial Statements

Enclosed is the Audit Engagement Letter with Thomas Howell Ferguson P.A. for the audit of the June 30, 2022, financial statements. The Engagement Letter serves as an agreement regarding the audit work to be done relating to the financial statements for the year ended June 30, 2020.

Thomas Howell Ferguson P.A. will audit the financial statements of WorkNet Pinellas, Inc., which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

The fees for the audit and the preparation of the Form 990 will be \$25,500 which will include travel and other out-of-pocket costs.

This will be the second year of the contract for audit services. Per DEO's Audit and Audit Resolution Responsibilities, CareerSource Pinellas "must limit auditor retention to no more than five years."

RECOMMENDATION

Approval to enter into an agreement with Thomas Howell Ferguson P.A. to conduct a financial statement audit for the year ended June 30, 2020.



Certified Public Accountants

www.thf-cpa.com

April 12, 2022

Board of Directors
WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas
13805 58th Street N., Suite 2-140
Clearwater, Florida 33760

ATTN: Steven Meier, Chief Financial Officer

Audit Services

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. We will also report on whether supplementary information is fairly stated in all material respects in relation to the financial statements as a whole. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (Arrangement Letter).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

You have also requested that we perform the audit of the Organization as of June 30, 2022 to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS, GAS, the Uniform Guidance, the U.S. Office of Management and Budget's (OMB) Compliance Supplement and guidance provided in the audit guide titled *Government Auditing Standards* and Single Audits issued by American Institute of Certified Public Accountants, dated April 2021. Those standards, regulations, supplements or guides require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, GAS, the Uniform Guidance, and the guide, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and regulations identified above. Our report(s) on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants and GAS.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Directors is responsible for informing us of its views about the risks of fraud, waste or abuse within the Organization, and its knowledge of any fraud, waste or abuse or suspected fraud, waste or abuse affecting the Organization.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;

- b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
- c. Additional information that we may request from management for the purpose of the audit; and
- d. Unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Because the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing and the fair presentation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; (g) timely and accurate completion of the data collection form and (h) submitting the reporting package and data collection form.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the Organization's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the Organization's financial statements, we will also issue the following reports:

1. A report on the fairness of the presentation of the Organization's schedule of expenditures of federal awards for the year ending June 30, 2022;
2. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAS;
3. Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance;
4. An accompanying schedule of findings and questioned costs; and

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Organization's books and records. The Organization will determine that all such data, if necessary, will be so reflected. Accordingly, the Organization will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Organization personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Steven Meier, Chief Financial Officer. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Nonaudit Services

In connection with our audit, you have requested us to perform the following nonaudit services:

- a. Drafting the financial statements

GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Organization, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. The Organization has agreed that Steven Meier, Interim Chief Executive Officer/Chief Financial Officer, possesses suitable skill, knowledge or experience and that the individual understands the services to be performed sufficiently to oversee them. Accordingly, the management of Organization agrees to the following:

1. The Organization has designated Steven Meier, Interim Chief Executive Officer/Chief Financial Officer, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Steven Meier, Interim Chief Executive Officer/Chief Financial Officer, will assume all management responsibilities for subject matter and scope of the financial statement drafting services;
3. The Organization will evaluate the adequacy and results of the services performed; and
4. The Organization accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with the Organization's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the Organization's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this Arrangement Letter documents that understanding.

Other Relevant Information

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

Use of Subcontractors and Third-Party Products

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to the Organization. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers, and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, “Third-Party Products”). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including confidential client information, within the Third-Party Product’s infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your confidential client information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of THF. For the purposes of this Arrangement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of THF’s audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by THF for the Organization under this Arrangement Letter, or any documents belonging to the Organization or furnished to THF by the Organization.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable THF policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an access and release letter substantially in THF’s form. THF reserves the right to decline a successor auditor’s request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Organization, the Organization will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of THF audit personnel and at a location designated by our firm.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a shareholder or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. For this reason and because THF incurs significant costs associated with training and replacing experienced personnel assigned to client engagements, the Organization agrees it will compensate THF in the amount equal to the annual compensation of the employee hired by the Organization.

Tax Services

In addition to the audit, you have requested that we provide Organization (hereinafter "you" or "your") with the professional tax services described below. The below tax services discussion and the attached terms and conditions are to confirm our understanding of the terms and objectives of our tax services engagement and the nature and limitations of the services we will provide. The tax services engagement between you and our firm will be governed by the terms of this Arrangement Letter.

Scope of Engagement

We will prepare the following federal and state tax returns (if any) for you for the year ending June 30, 2022:

Form 990 Return of Organization Exempt from Income Tax

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based on information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of the information.

We will prepare the tax returns solely for filing with the Internal Revenue Service (IRS), and state and local tax authorities as identified above. Tax returns are not intended for third-party use, either to obtain debt or equity financing or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This Arrangement Letter is limited to the professional services outline above.

In addition to the preparation of the returns listed above, we will be pleased to respond to your requests for tax consulting services and advice regarding specific tax issues that you may encounter. Depending upon the nature of the tax consulting services, a separate Arrangement Letter may be required to address the scope and terms of the services.

THF's Responsibilities

Unless otherwise noted, we will perform our service in accordance with the *Statements on Standards for Tax Services* issued by the American Institute of Certified Public Accountants and U.S. Treasury Department Circular 230. It is our duty to perform services with the same standard or care that a reasonable income tax preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required.

We rely upon the accuracy and completeness of both the information you provide in the trial balance and other supporting data you provide in rendering professional services to you.

Please check one of the following (THIS MUST BE COMPLETED):

- I/We had/have financial interests in, or signature authority over, foreign bank accounts in 2022.
- I/We did not had/have financial interests in or signature authority over foreign bank accounts in 2022.
- I/We am/ are unsure if I/We had/have financial interests in or signature authority over foreign bank accounts in 2022. Please follow up with me/us regarding this question.

Failure to provide an answer above will be interpreted as a negative response. Please see the attached Terms and Conditions sheet for additional information.

On-line access to information

To the extent you provide our firm with access to electronic data via a local or online database from which we will download your trial balance or other information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Parties' Understandings Concerning Situation Around COVID-19

Thomas Howell Ferguson P.A. (THF) and the Organization acknowledge that federal, state and local governments, both domestic and foreign, restrict travel and/or the movement of their citizens from time to time due to the ongoing and evolving situation around COVID-19, with such restrictions varying frequently as the COVID-19 situation changes. In addition, like many organizations and companies in the United States and around the globe, THF has restricted its employees from certain travel and onsite work, whether at a client facility or THF facility, to protect the health of both THF's and its clients' employees. Accordingly, to the extent that any of the services described in this Arrangement Letter requires or relies on THF or Organization personnel to travel and/or perform work onsite, either at the Organization's or THF's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, THF and the Organization acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either THF's or the Organization's sole discretion. THF and the Organization agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. THF and the Organization also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Costs also may increase if services provided include matters such as consideration of going concern, impairment analysis, debt forgiveness or lease concessions, not already considered within the stated fees. THF will obtain the Organization's prior written approval (email will be sufficient) for any increase in the cost of THF services that may result from the situation surrounding COVID-19.

Fees and Costs

Our fees for the audit and tax services will be based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus out-of-pocket expenses and an additional charge of \$12 per hour to cover the cost of administrative expenses not separately billed.

Our estimated fees for the above listed services excluding administrative and out-of-pocket expenses are as follows:

Audit	\$23,000	
Tax return preparation: Form 990	<u>2,500</u>	
		<u>\$25,500</u>

This fee estimate is subject to adjustments based on unanticipated changes in the scope of services and/or the incomplete or untimely receipt by us of the information on the client preparation list. Our fees will be billed in installments to coincide with the performance of our work. All other provisions of this letter will survive any fee adjustment. Services other than those specified above will be subject to a separate written arrangement.

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria, which if not met, may cause the fees to increase:

- a. Anticipated cooperation from the Organization personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

Our fees for other nonaudit or consulting services requested by the Organization, including participation at various meetings other than those associated with the audit, will be billed based on the time necessary to perform these services at our standard rates, plus administrative and out-of-pocket expenses. For significant additional services, we will provide an estimate of the total project cost prior to commencement of the work.

All matters related to the Organization's adoption of the new lease accounting standard pursuant to ASC 842 will be accounted for and billed separately.

Indemnification, Limitation of Liability, and Claim Resolution

Because THF will rely on the Organization and its management and Board of Directors to discharge the foregoing responsibilities, the Organization agrees to indemnify, hold harmless and release THF and its shareholders, employees, affiliates, contractors, and subcontractors from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Organization's management.

The Organization and THF agree that no claim arising out of, from, or relating to the services rendered pursuant to this arrangement letter shall be filed more than two years after the date of the audit report issued by THF or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. THF's liability for all claims, damages and costs of the Organization arising from this engagement is limited to the amount of fees paid by the Organization to THF for the services rendered under this arrangement letter. Nothing in this limitation of liability provision shall relieve the Organization of its payment obligations to THF under this arrangement letter.

Information Security

THF is committed to the safe and confidential treatment of the Organization's proprietary information. THF is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The Organization agrees that it will not provide THF with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the Organization information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

Our firm employs measures in the use of electronic data transmission designed to maintain data security. While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, the Organization recognizes and accepts that we have no control over the unauthorized interception of these communications once they have been sent and consents to our use of these electronic devices during this engagement.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards or you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between THF and the Organization and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Agreement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Board of Directors
WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas

Page 17
April 12, 2022

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities. We appreciate your business.

Sincerely,

Thomas Howell Ferguson P.A.

WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas

Agreed and accepted.

By: _____

Title: _____

Date: _____

Management's Acknowledgement of Terms:

By: _____

Title: _____

Date: _____

Copy to: Steven Meier, Interim Chief Executive Officer/Chief Financial Officer



Report on the Firm's System of Quality Control

November 1, 2019

To the Shareholders of Thomas Howell Ferguson, P.A.
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Thomas Howell Ferguson, P.A. (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Thomas Howell Ferguson, P.A. in effect for the year ended May 31, 2019 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Thomas Howell Ferguson, P.A. has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

Overview

This addendum to the engagement letter describes our standard terms and conditions related to our provision of services to you. This addendum, and the accompanying engagement letter, comprises your agreement with us. If there is any inconsistency between the engagement letter and this *Terms and Conditions Addendum*, the engagement letter will prevail to the extent of the inconsistency.

For the purposes of this *Terms and Conditions Addendum*, any reference to “firm,” “we,” “us,” or “our” is a reference to Thomas Howell Ferguson P.A., and any reference to “you” or “your” is a reference to the party or parties that have engaged us to provide services. References to “Agreement” mean the engagement letter or other written document describing the scope of services, any other attachments incorporated therein, and this *Terms and Conditions Addendum*.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

Independent Contractor

When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint ventures, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this agreement are solely obligations of Thomas Howell Ferguson P.A., and no partner, principal, employee or agent of Thomas Howell Ferguson P.A., shall be subjected to any personal liability whatsoever to you or any person or entity.

Records Management

Record Retention and Ownership

We will return all of your original records and documents provided to us by the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm’s record retention policy and any applicable legal and regulatory requirements.

Our firm destroys tax related workpaper files after a period of 10 years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm’s records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

Working Paper Access Requests by Regulators and Others

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the sale of our accounting practice.

If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Newsletters and Similar Communications

We may send newsletters, emails, explanations of technical developments or similar communications to you. These communications are of a general nature and should not be construed as professional advice. We may not send all such communications to you. These communications do not, by themselves, constitute a client relationship with you, nor do they constitute advice or an undertaking on our part to monitor issues for you.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute legal or investment advice unless specifically engaged to provide investment advice in the *Engagement Objective and Scope* section of this Agreement. We recommend that you retain legal counsel and investment advisors to provide such advice.

Referrals

In the course of providing services to you, you may request referrals to attorneys, brokers, investment advisors or other professionals. We may identify a professional or professionals for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional and determining if the professional can meet your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional to whom we refer you or that you separately retain. Further, we are not responsible for any services we perform that fail to meet the intended outcomes as a result of relying on work completed by other professionals you may retain.

Brokerage or Investment Advisory Statements

If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the *Engagement Objective and Scope* section of the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

Federally Authorized Practitioner – Client Privilege

Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, the privilege may not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility, except to the extent caused by our gross negligence or willful misconduct, for any liability including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate engagement letter.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, “electronic signature” includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Management Responsibilities

While Thomas Howell Ferguson P.A., can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge and experience to oversee any services that Thomas Howell Ferguson P.A., provides. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Conflicts of Interest

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

Mediation

If a dispute arises out of or relates to the Agreement including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association (“AAA”) under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in Leon County Florida.

The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

Limitation of Liability

Thomas Howell Ferguson P.A.’s liability for all claims, damages, and costs arising from this engagement is limited to one times the total amount of fees paid by you to Thomas Howell Ferguson P.A., for services rendered under this agreement.

You agree to indemnify, defend, and hold harmless Thomas Howell Ferguson P.A., and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns with respect to any and all claims made by third parties arising from this engagement, regardless of the nature of the claim, and including the negligence of any party, excepting claims arising from the gross negligence or intentional acts of the Thomas Howell Ferguson P.A.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement shall belong to us.

Termination and Withdrawal

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, non-payment of fees, your failure to comply with the terms of this Agreement, or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against you resulting from your failure to meet such deadlines.

If this Agreement is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

Assignment

All parties acknowledge and agree that the terms and conditions of this Agreement shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Entire Agreement

The engagement letter, including this *Terms and Conditions Addendum* and any other attachments, encompass the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

Payments, Terminations, and Other Terms

All invoices are due and payable upon presentation. Additionally, this fee is dependent on the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis. In the event your records are not submitted in a timely manner or they are incomplete or unusable, we reserve the right to charge additional fees and expenses for the services required to correct the situation.

We reserve the right to withdraw from this engagement without preparing your income tax returns in the event you disagree with our recommendations regarding tax return filing and reporting obligations, tax return positions to be taken, or disclosures to be made in the return. We also reserve the right to suspend or terminate our work for nonpayment. If our work is suspended or terminated as a result of these matters, you agree that we will not be responsible for your failure to meet government and other filing deadlines; for any penalties or interest that may be assessed against you resulting from your failure to meet the deadlines; and for the loss of any tax privileges due to the failure to timely file your return.

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.



Certified Public Accountants

www.thf-cpa.com

April 12, 2022

Audit Committee
WorkNet Pinellas d/b/a CareerSource Pinellas
13805 58th Street N, 2-140
Clearwater, FL 33760

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of WorkNet Pinellas d/b/a CareerSource Pinellas's (CareerSource Pinellas) financial statements as of and for the year ending June 30, 2022.

Communication

Effective two-way communication between our firm and those charged with governance is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding the entity and its environment, identifying appropriate sources of audit evidence, and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other known or likely fraud, noncompliance with provisions of laws, statutes, regulations, rules, provisions of contracts or grant agreements or abuse that is likely to have a material effect on the financial statements. We will also communicate illegal acts, instances of noncompliance or fraud that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Additionally, we will communicate significant unusual transactions, matters that are difficult or contentious for which we consulted outside the engagement team, and circumstances that affect the form and content of the auditor's report. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, shareholders and professional employees of Thomas Howell Ferguson P.A. are restricted in their ability to own a direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a shareholder or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by Thomas Howell Ferguson P.A. and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your organization functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your organization. The development of a specific audit plan may include discussions with you and with management to obtain an understanding of your organization objectives, strategies, risks, and performance.

As part of obtaining an understanding of your organization and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement and noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement and noncompliance. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or to instances of noncompliance.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit; evaluating the effect of identified misstatements or noncompliance on the audit and the effect of uncorrected misstatements, if any, on the financial statements; and forming the opinion in our report on the financial statements, and determining or reporting in accordance with *Government Auditing Standards* and other compliance reporting requirements. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing, and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

Significant Risks of Material Misstatement

Our audit of the financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration. As part of our initial risk assessment procedures, we identified the following risks as significant risks. Additional significant risks may be identified as we perform additional audit procedures.

Risk Name	Risk Description
Management override of internal controls	Risk that management could manipulate accounting records and prepare fraudulent financial statements by overriding controls and/or by otherwise engaging in unauthorized transactions by circumventing established internal controls.
Fraudulent revenue recognition	Risk that management could improperly recognize revenue, particularly when done to manipulate earnings, thereby engaging in fraudulent financial reporting.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. A financial statement audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of your internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue a report on internal control over financial reporting and on compliance and other matters based on the audit of financial statements consistent with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States. The report will describe the scope of testing of internal control over financial reporting and testing of compliance with certain provisions of laws, regulations, contracts, and grant agreements. Our report on internal control over financial reporting will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control, and our report on compliance and other matters will include any noncompliance we become aware of during the audit that could have a material effect on the financial statements.

We will also issue a report on compliance for each major federal program and on internal control over compliance in accordance with the audit requirements of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance). This report will describe the scope of testing of internal control and report on whether the auditee complied with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on each major federal program. Our report will identify any significant deficiencies and material weaknesses in internal control over compliance that we become aware of during our procedures consistent with the requirements of the standards identified above.

Timing of the Audit

The timing of the audit has already been communicated with applicable members of management. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to CareerSource Pinellas.

This communication is intended solely for the information and use of those charged with governance and is not intended to be, and should not be, used by anyone other than this specified party.

Sincerely,

Thomas Howell Ferguson P.A.



ACTION ITEM 3

Annual 401(k) Plan Audit

INFORMATION

401(k) Plan audits are required to have an audit if there are more than 100 eligible plan participants at the beginning of the plan year. At the beginning of 2021, there were 99 active participants and other retired or separated participants entitled to future benefits. Staff is recommending that the WorkNet Pinellas, Inc. 401(k) Plan be audited, although it is not required to have an annual audit done by an Independent CPA firm.

Thomas Howell Ferguson P.A. in its second year as the organization's auditors, will audit the financial statements of WorkNet Pinellas, Inc. 401(k) Plan, which are comprised of the statement of net assets available for benefits as of December 31, 2021, the statement of changes in net assets available for benefits for the year then ended, and the related notes and report on the supplemental schedules for the year ended December 31, 2021.

For calendar year 2021, a limited scope audit, as permitted by USDOL regulations, will be performed and will not exceed \$7,500.

The annual audit is to be completed and filed along with the Form 5500 by October 15, 2021.

RECOMMENDATION

Approval for Thomas Howell Ferguson P.A. to commence a limited scope audit of the WorkNet Pinellas, Inc. 401(k) for 2021.



Certified Public Accountants

www.thf-cpa.com

April 11, 2022

WorkNet Pinellas, Inc. 401(k) Plan
13805 58th N., Suite 2-140
Clearwater, Florida 33760

Attention: Ms. Jennifer Brackney

The Objective and Scope of the Audit

You have requested that we perform an audit in accordance with Employee Retirement Income Security Act of 1974 (ERISA) Section 103(a)(3)(C) and report on the financial statements of WorkNet Pinellas, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to ERISA that is sponsored by WorkNet Pinellas, Inc. (the Plan Sponsor). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and December 31, 2020; the related statement of changes in net assets available for benefits for the year ending December 31, 2021; and the related notes to the financial statements.

As part of our audit, we will report on the supplemental schedule required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA-required supplemental schedule) for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America (GAAS). This schedule is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

The financial statements and ERISA-required supplemental schedule are included in the Plan's Form 5500 filing.

Management has determined it is permissible in the circumstances and has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Except as described in the preceding paragraph, the objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (Arrangement Letter).

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS. Those standards required that we are independent of the Plan and that we comply with applicable ethical requirements. For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America (GAAP). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will also communicate to those charged with governance (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential) and (c) reportable findings identified during the audit of the Plan as a result of testing relevant plan provisions.

The information included in the ERISA-required supplemental schedule, other than that agreed to or derived from the certified investment information, will be subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with GAAS. Accordingly, our opinion will state whether the form and content of the supplemental schedule, other than the information agreed to or derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and whether the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants and the DOL.

The Responsibilities of the Plan Administrator and Management and Identification of the Applicable Financial Reporting Framework

The Plan Administrator, management, and those charged with governance are responsible for:

1. Identifying and ensuring that the Plan complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Plan involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators or others.

The Plan Administrator and those charged with governance are responsible for informing us of their views about the risks of fraud within the Plan, and their knowledge of any fraud or suspected fraud affecting the Plan.

Management's election for the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

Our audit will be conducted on the basis that the Plan Administrator and management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which includes the determination of the appropriate value of investments;
2. For determining whether:
 - a. An ERISA Section 103(a)(3)(C) audit is permissible under the circumstances;
 - b. The investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8;
 - c. The certification meets the requirements in 29 CFR 2520.103-5; and

- d. The certified investment information is appropriately measured, presented, and disclosed in accordance with GAAP as of December 31, 2021;
3. To evaluate subsequent events through the date the financial statements are issued or available to be issued and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
4. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
5. For evaluating whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date the financial statements are issued or available to be issued, and to provide appropriate financial statement disclosure, when applicable, about matters related to going concern and using the going concern basis of accounting unless management is required to prepare the financial statements in accordance with the liquidation basis of accounting;
6. For maintaining a current plan instrument, including all plan amendments;
7. For administering the Plan and determining that the Plan's transactions that are presented and disclosed in the Plan's financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants;
8. For the preparation and presentation of the ERISA-required supplemental schedule and that it was derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements including for the fair presentation of the ERISA-required supplemental schedule and the form and content of the ERISA-required supplemental schedule in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA;
9. For identifying and determining that the Plan complies with the laws and regulations applicable to its activities; and

10. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures to allow for the completion of the audit in accordance with the proposed timeline;
- b. A draft of Form 5500 that is substantially complete prior to the date of our auditor's report;
- c. Additional information that we may request from management for the purpose of the audit; and
- d. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from the Plan Administrator and management written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Plan Administrator and management are responsible for informing us about related-party transactions, including transactions with parties in interest, as defined in Section 3(14) of ERISA and the regulations thereunder.

The Plan Administrator and management are responsible for adjusting the financial statements to correct material misstatements and affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Plan Administrator and management agree to include the auditor's report on the ERISA-required supplemental schedule in any document that contains the ERISA-required supplemental schedule and indicates that the auditor has reported on such ERISA-required supplemental schedule. The Plan Administrator and management also agree to only present the ERISA-required supplemental schedule together with the audited financial statements and the auditor's report thereon.

Reporting

We will issue a written report upon completion of our audit of the Plan's financial statements. We will report on whether the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and whether the certified investment information in the financial statements agrees to or is derived from the information certified by a qualified institution. Our report will be addressed to participants and those charged with governance of the Plan.

We also will report on whether the ERISA-required supplemental schedule, other than the certified investment information, are fairly stated in all material respects in relation to the financial statements as a whole, and whether the form and content of the ERISA-required supplemental schedule are presented in conformity with the DOL's rules and regulations for reporting and disclosure under ERISA, and whether the certified investment information in the supplemental schedules agrees to, or is derived from, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Circumstances may arise in which our report may differ from its expected form and content based on the results of our ERISA Section 103(a)(3)(C) audit. Depending on the nature of these circumstances, it may be necessary for us to modify our ERISA Section 103(a)(3)(C) opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the Plan's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an ERISA Section 103(a)(3)(C) opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an ERISA Section 103(a)(3)(C) opinion or issue a report, or withdrawing from the engagement.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Plan's books and records. The Plan Administrator or management will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Plan Sponsor personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Jennifer Brackney. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Accounting and Tax Services

In connection with our audit, you have requested us to perform the following accounting services:

1. Drafting the financial statements
2. Drafting the supplemental schedule

Jennifer Brackney will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Our services under this Arrangement Letter do not include services for tax return preparation, tax advice or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions, the information provided during these discussions shall not be used as the basis for proceeding with any transaction or any tax return reporting.

Separate arrangements, including fee arrangements, are required for tax preparation, tax advice or tax representation services.

Other Terms of Our Engagement

We will not render an opinion on the Plan's qualification for tax-exempt status or compliance with the provisions of ERISA. However, as a part of our audit, we will perform certain procedures, as required by GAAS, directed at considering the Plan's compliance with applicable Internal Revenue Code (IRC) requirements for tax-exempt status, including whether management has performed relevant IRC compliance tests, and has corrected or intends to correct failures. As we conduct our audit, we will be aware of the possibility that events affecting the Plan's tax status may have occurred. Similarly, we will be aware of the possibility that events affecting the Plan's compliance with the requirements of ERISA may have occurred. We will inform you of any instances of potential tax or ERISA noncompliance that come to our attention during the course of our audit. You should recognize, however, that our audit is not designed to nor is it intended to determine the Plan's overall compliance with applicable provisions of the IRC or ERISA.

Professional standards require that we obtain and read a draft of the Plan's Form 5500 that is substantially complete prior to the dating of our auditor's report. The purpose of this procedure is to identify material inconsistencies, if any, with the Plan's audited financial statements. This procedure is not sufficient nor intended to determine that the Form 5500 is completely and accurately prepared. Further, any suggestions we might make do not constitute tax advice. You will be responsible for all decisions regarding the Form 5500 and any tax positions reported on that form.

In the event that an inquiry is received from the DOL or Internal Revenue Service regarding the Form 5500 or the financial statements that are made a part of that filing, you agree to provide a copy of such inquiry to us as soon as possible following its receipt. Further, you agree to provide us with a draft of your response to any such correspondence prior to mailing.

Fees and Costs

Our fee will be based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus out-of-pocket expenses and an additional charge of \$12 per hour to cover the cost of administrative expenses not separately billed. Calculated on this basis, our fee estimates for the audit, excluding out-of-pocket expenses and administrative expenses, is \$7,500 for the year ending December 31, 2021. This engagement fee assumes receipt of all required client prepared information by the date agreed upon in the engagement timeline. An additional fee of \$500 will be billed for receipt of client information subsequent to that date. The engagement fee is subject to adjustments based on unanticipated changes in the scope of services and/or the incomplete or untimely receipt by us of the information on the client preparation list. Our fees will be billed in installments to coincide with the performance of our work. All other provisions of this letter will survive any fee adjustment. Our fees for the routine consulting services will be billed based on the time incurred at our standard rates. Services other than those specified above will be subject to a separate written arrangement.

Our fee estimate and completion of our work is based upon the following criteria, which if not met, may cause the fees to increase:

- a. Anticipated cooperation from the Plan personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met (including discovery of significant record keeping problems or operational errors, Service Organization Control (SOC 1) reports that are qualified or otherwise cannot be relied upon, suspected violations of ERISA or DOL regulations, or issues that cause the Plan's qualified tax status to be questioned), then fees may increase.

Our fees for other accounting or consulting services requested by the Plan, including participation at various meetings other than those associated with the audit, will be billed based on the time necessary to perform these services at our standard rates, plus administrative and out-of-pocket expenses. For significant additional services, we will provide an estimate of the total project cost prior to commencement of the work.

Use of Subcontractors and Third-Party Products

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to the Plan. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers, and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, “Third-Party Products”). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including confidential client information, within the Third-Party Product’s infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your confidential client information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of THF. For the purposes of this Arrangement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of THF’s audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by THF for the Plan under this Arrangement Letter, or any documents belonging to the Plan or furnished to THF by the Plan.

As required by ERISA, we are required to make certain Audit Documentation available to the DOL upon request for its regulatory oversight purposes. Access to the requested Audit Documentation will be provided to the DOL under the supervision of THF audit personnel and at a location designated by our firm. The fees associated with providing access to this audit documentation will be billed at our standard rates.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable THF policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an access and release letter substantially in THF's form. THF reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Plan, the Plan, to the extent permitted by law, or the Plan Sponsor, as applicable, will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Indemnification, Limitation of Liability, and Claim Resolution

Because THF will rely on the Plan Administrator, the Plan Sponsor and its management to discharge the foregoing responsibilities, the Plan agrees to indemnify, hold harmless and release THF and its shareholders, employees, affiliates, contractors, and subcontractors from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Plan's management.

The Plan and THF agree that no claim arising out of, from, or relating to the services rendered pursuant to this arrangement letter shall be filed more than two years after the date of the audit report issued by THF or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. THF's liability for all claims, damages and costs of the Plan arising from this engagement is limited to the amount of fees paid by the Plan to THF for the services rendered under this arrangement letter. Nothing in this limitation of liability provision shall relieve the Plan of its payment obligations to THF under this arrangement letter.

Information Security

THF is committed to the safe and confidential treatment of the Plan's proprietary information. THF is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The Plan agrees that it will not provide THF with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Plan information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

Our firm employs measures in the use of electronic data transmission designed to maintain data security. While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, the Plan recognizes and accepts that we have no control over the unauthorized interception of these communications once they have been sent and consents to our use of these electronic devices during this engagement.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a shareholder or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. For this reason and because THF incurs significant costs associated with training and replacing experienced personnel assigned to client engagements, the Plan agrees it will compensate THF in the amount equal to the annual compensation of the employee hired by the Plan.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between THF and the Plan and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

WorkNet Pinellas, Inc. 401(k) Plan

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April 11, 2022

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit, including our respective responsibilities. We appreciate your business.

Sincerely,



WorkNet Pinellas, Inc. 401(k) Plan

Agreed and accepted.

By: _____

Title: _____

Date: _____



Certified Public Accountants

www.thf-cpa.com

April 11, 2022

Those charged with governance
WorkNet Pinellas, Inc. 401(k) Plan

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of WorkNet Pinellas, Inc. 401(k) Plan's (the Plan) financial statements as of and for the year ending December 31, 2021.

Communication

Effective two-way communication between our firm and those charged with governance is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding the Plan and its environment, identifying appropriate sources of audit evidence, and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Additionally, we will communicate significant unusual transactions, matters that are difficult or contentious for which we consulted outside the engagement team, and circumstances that affect the form and content of the auditor's report. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing.

WorkNet Pinellas, Inc. 401(k) Plan

Reportable findings identified during the audit as a result of testing plan provisions will be communicated to you in writing. We will also inform you of any instances of tax noncompliance or noncompliance with Employee Retirement Income Security Act of 1974 (ERISA) that come to our attention during the course of the audit.

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

As management has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C), we will evaluate management's assessment of whether the entity issuing the certification is a qualified institution under Department of Labor (DOL) rules and regulations. We will inquire how management determined that (i) an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances, (ii) the investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8, (iii) the certification meets the requirements in 29 CFR 2520.103-5, and (iv) the certified investment information is appropriately measured, presented, and disclosed in accordance with the applicable financial reporting framework.

The audit will not extend to any certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the applicable financial reporting framework.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, shareholders and professional employees of Thomas Howell Ferguson P.A. are restricted in their ability to own a direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a shareholder or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by Thomas Howell Ferguson P.A. and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your plan functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your plan. The development of a specific audit plan may include discussions with you and with management to obtain an understanding of your objectives, strategies, risks, and performance related to the Plan.

As part of obtaining an understanding of your Plan and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

We will obtain and read the most current plan instrument, including effective amendments, as a part of obtaining an understanding of the Plan sufficient to perform risk assessment procedures. When designing and performing audit procedures, we consider relevant plan provisions that affect the risk of material misstatement.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit; evaluating the effect of identified misstatements on the audit and the effect of uncorrected misstatements, if any, on the financial statements; and forming the opinion in our report. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing, and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

Significant Risks of Material Misstatement

Our audit of the financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration. As part of our initial risk assessment procedures, we identified the following risks as significant risks. Additional significant risks may be identified as we perform additional audit procedures.

Risk Name	Risk Description
Management override of internal controls	Risk that management could manipulate accounting records and prepare fraudulent financial statements by overriding controls and/or by otherwise engaging in unauthorized transactions by circumventing established internal controls.
Fraudulent revenue recognition	Risk that management could improperly recognize revenue, particularly when done to manipulate earnings, thereby engaging in fraudulent financial reporting.

Our Approach to Internal Control Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. A financial statement audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of the Plan's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Timing of the Audit

The timing of the audit has already been communicated with applicable members of management. Professional standards require that we obtain and read a draft of the Form 5500 that is substantially complete prior to the dating of our auditor's report in order to identify material inconsistencies, if any, with the Plan's audited financial statements. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

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Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to WorkNet Pinellas, Inc. 401(k) Plan.

This communication is intended solely for the information and use of those charged with governance and is not intended to be, and should not be, used by anyone other than this specified party.

Sincerely,

