

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION**

FINANCIAL STATEMENTS

JUNE 30, 2020

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Big Bend Jobs and Education Council, Inc.
d/b/a CareerSource Capital Region

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region (CareerSource Capital Region) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise CareerSource Capital Region's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region, as of June 30, 2020 and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

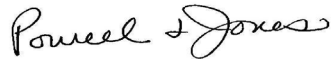
Other Information

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

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2020 on our consideration of CareerSource Capital Region's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Capital Region's internal control over financial reporting and compliance.

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

Powell and Jones
Certified Public Accountants
Lake City, FL.

December 2, 2020

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Management is pleased to offer the following assessment of the operations of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region ("CareerSource Capital Region") for the year ended June 30, 2020.

Financial Highlights

The assets of CareerSource Capital Region exceeded its liabilities at June 30, 2020 by \$292,276. Approximately 31% of this total, or \$90,178 is invested in capital assets.

Overview of Financial Statements

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

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

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

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

The basic government-wide financial statements can be found on pages 8-9 of this report.

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

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
 CAREERSOURCE CAPITAL REGION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020**

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

The basic governmental fund financial statements can be found on pages 10-11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a General Fund Budgetary Schedule on page 22 of this report and a Schedule of Expenditures of Federal Awards on pages 24-25. This Schedule of Expenditures of Federal Awards lists all Federal grants awarded to CareerSource Capital Region and the related expenditures for the fiscal year ended June 30, 2020.

Government-wide Financial Analysis

Net Position

	<u>2020</u>	<u>2019</u>
Current assets	\$ 606,021	\$ 751,636
Capital assets, net	90,178	60,397
Total assets	<u>696,199</u>	<u>812,033</u>
Long-term liabilities	52,280	48,242
Other liabilities	351,642	492,553
Total liabilities	<u>403,923</u>	<u>540,795</u>
Investment in capital assets	90,178	60,397
Unrestricted	202,098	210,841
Net Position	<u>\$ 292,276</u>	<u>\$ 271,238</u>

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Changes in Net Position

	2020	2019
Program Revenues		
Operating grants and contributions	\$ 5,013,480	\$ 6,032,652
Capital grants and contributions	39,895	18,588
Total program revenues	5,053,375	6,051,240
 General Revenues		
Other	72,428	116,982
Total revenues	5,125,803	6,168,222
 Expenses		
Training, retraining and readjustment	5,104,765	6,152,720
Change in net position	21,038	15,502
Net position, beginning of year	271,238	255,736
Net position, end of year	\$ 292,276	\$ 271,238

Governmental Activities

The governmental activities generated \$5,053,375 in program revenues, \$72,428 of general revenues, and incurred \$5,104,765 of program expenses. This resulted in an increase in net position of \$21,038. This net increase is comprised of an increase \$31,151 from operations and a decrease from depreciation expense of \$10,113. This change is not unexpected since the Organization is funded almost exclusively from cost reimbursement government grants.

General Fund

The fund balance of the General Fund has decreased by \$3,993 from 267,597 to \$263,604. \$61,506 of the fund balance is assigned for the payment of compensated absences. \$4,010 in prepaid expense is nonspendable. There are no other restrictions, commitments or other limitations that significantly affect the availability of fund resources for future use.

Budgetary Highlights

- **General Fund.** The original budget was based on funding projections and included all funding expected to be available. During the year, the budget is amended as funding commitments are received. Finally, the final budgets are reduced for estimates of amounts to be carried forward to subsequent years. During the year, the General Fund budgeted expenditures increased by \$110,148. Budgeted expenditures exceeded actual expenditures by \$1,036,197.

Capital Asset Administration

CareerSource Capital Region's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$90,178 (net of accumulated depreciation). Additional information on CareerSource Capital Region's capital assets can be found in Note III B to the financial statement on page 18.

Request for Information

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

Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region
2639 N. Monroe Street
Atrium Building C, Suite 100
Tallahassee, Florida 32303

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS	Governmental Activities
Current assets	
Cash and cash equivalents	\$ 287,199
Grant, contract and other receivables	314,812
Prepaid items	4,010
	606,021
Capital assets, net of depreciation	90,178
Total Assets	\$ 696,199
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	\$ 262,837
Unearned revenue and due to grantor	79,580
	342,417
Noncurrent liabilities	
Accrued compensated absences:	
Due within one year	9,226
Due in more than one year	52,280
	61,506
Total liabilities	403,923
NET POSITION	
Net investment in capital assets	90,178
Unrestricted	202,098
Total net position	\$ 292,276

See notes to financial statements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Functions/Programs				
Governmental activities:				
Training, retraining, and readjustment	\$ 5,104,765	\$ 5,013,480	\$ 39,895	\$ (51,390)
Total governmental activities	<u>\$ 5,104,765</u>	<u>\$ 5,013,480</u>	<u>\$ 39,895</u>	<u>\$ (51,390)</u>
General revenues:				
Other				<u>72,428</u>
Change in net position				21,038
Net position, beginning of year				<u>271,238</u>
Net position, end of year				<u>\$ 292,276</u>

See notes to financial statements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2020**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 287,199
Grant, contract, and other receivables	314,812
Prepaid items	<u>4,010</u>
Total Assets	<u>606,021</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	262,837
Unearned revenue and due to grantor	<u>79,580</u>
Total Liabilities	<u>342,417</u>
Fund Balance:	
Nonspendable	4,010
Assigned for compensated absence liability	61,506
Unassigned	<u>198,088</u>
Total Fund Balance	<u>263,604</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	90,178
Compensated absence liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(61,506)</u>
 Net position of governmental activities	 <u><u>\$ 292,276</u></u>

See notes to financial statements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund
Revenues	
Grants and other contracts	\$ 5,053,375
Other	72,428
Total revenues	5,125,803
 Expenditures	
Personnel and benefits	1,161,043
Accounting and auditing	18,500
Advertising and marketing	17,693
Communication, systems and utilities	391,923
Furniture and equipment	7,986
Printing and supplies	22,209
Rent	650,431
Direct program	2,620,673
Insurance	27,625
Professional fees	7,614
Repairs and maintenance	21,889
Other	142,315
Capital outlay	39,895
Total expenditures	5,129,796
 Net change in fund balance	 (3,993)
 Fund balance, beginning of year	 267,597
 Fund balance, end of year	 \$ 263,604

See notes to financial statements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Net change in fund balance of governmental fund \$ (3,993)

Governmental funds report capital outlays as expenditures;
however, in the statement of activities, the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense:

Capital outlay	39,895
Depreciation expense	(10,113)

Some expenses reported in the statement of activities do not require
the use of current financial resources and, therefore are not reported
as expenditures in governmental funds:

Increase in compensated absences	(4,751)
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Change in net position of governmental activities	<u><u>\$ 21,038</u></u>
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See notes to financial statements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region (CareerSource Capital Region), which affect significant elements of the accompanying basic financial statements:

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of CareerSource Capital Region. Governmental activities are normally supported by intergovernmental revenues, and other nonexchange transactions.

B. Reporting entity

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

The accounting policies adopted by the Board of Directors conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CareerSource Capital Region. There were no entities that required inclusion as a component unit within CareerSource Capital Region's financial statements.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Summary of Significant Accounting Policies: (Continued)

D. Basis of presentation – fund financial statements

The fund financial statements provide information about CareerSource Capital Region's general fund. CareerSource Capital Region reports one governmental fund:

- The general fund is established to account for resources devoted to financing the general operations of CareerSource Capital Region. All operating resources are recorded in the general fund.

E. Measurement focus and basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues are reported as general revenues.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, CareerSource Capital Region considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

CareerSource Capital Region's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Summary of Significant Accounting Policies: (Continued)

F. Assets, liabilities and net position/fund balance

1. Deposits and Investments

Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

2. Prepaid items

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

3. Capital assets

Capital assets acquired by CareerSource Capital Region are considered to be owned by CareerSource Capital Region. However, funding sources may maintain an equitable interest in the capital assets purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Capital assets with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to ten years.

4. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

5. Use of estimates

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Summary of Significant Accounting Policies: (Continued)

F. Assets, liabilities, and net position/fund balance (Continued)

6. Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates based upon length of employment. The maximum amount of accumulated vacation that an employee may be paid for is 160 hours. An employee with less than five years of continuous employment will not be paid for sick leave. An employee with five to ten years of continuous employment will be paid 10% of their accumulated sick benefits at 100% of their current base salary. An employee with more than ten years of continuous employment will be paid for 25% of their accumulated sick benefits at 100% of their current base salary.

Vacation and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

7. Grant, Contract and Other Receivables

Grant, contract, and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors, contractors, and subrecipients having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

8. Net position flow assumption

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

9. Fund balance flow assumptions

Sometimes CareerSource Capital Region will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Capital Region's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Summary of Significant Accounting Policies: (Continued)

F. Assets, liabilities, and net position/fund balance (Continued)

10. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of CareerSource Capital Region's highest level of decision-making authority. The Board of Directors is the highest level of decision making authority for CareerSource Capital Region that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the motion remains in place until a similar action is taken (the adoption of another motion) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by CareerSource Capital Region for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and expenditures/expenses

1. Revenue sources

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

2. Advertising

Advertising costs are charged to operations as incurred. In the year ended June 30, 2020 advertising cost were \$17,693.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

II. Detailed Notes of All Funds:

A. Deposits

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, CareerSource Capital Region's deposits may not be returned. At year end, the carrying amount of deposits was \$287,199 and the bank balance was \$326,428. Of the bank balance, \$250,000 was insured up to Federal Deposit Insurance Corporation ("FDIC") Limits.

B. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Furniture and equipment	\$ 252,706	\$ -	\$ -	\$ 252,706
Vehicles	-	39,895	-	39,895
Leasehold improvements	26,433	-	-	26,433
	<u>279,139</u>	<u>39,895</u>	<u>-</u>	<u>319,034</u>
Less accumulated depreciation	(218,743)	(10,113)	-	(228,856)
Capital assets, net	<u>\$ 60,396</u>	<u>\$ 29,782</u>	<u>\$ -</u>	<u>\$ 90,178</u>

\$10,113 of depreciation expense was allocated to the training program during the year ended June 30, 2020.

C. Operating Leases

CareerSource Capital Region has entered into copier lease agreements, expiring in March 2020 and building leases expiring October 2027. For the year ended June 30, 2020, rental expense under the terms of these leases totaled \$619,310, net of subleases of \$40,528. Future minimum lease payments under these leases are as follows:

Year Ending June 30,	Minimum Payments
2021	\$ 654,337
2022	333,439
2023	305,046
2024	312,382
2025	319,021
Thereafter	406,159
	<u>\$ 2,330,384</u>

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

II. Detailed Notes of All Funds: (Continued)

D. Long-term Debt

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental activities					
Compensated absences	\$ 56,755	\$ 4,751	\$ -	\$ 61,506	\$ 9,226

E. Defined Contribution Plan

CareerSource Capital Region sponsors a defined contribution 401(k) profit sharing plan which covers substantially all employees. The amount of pension plan expense for the year ended June 30, 2020 was \$66,393.

F. Unearned Revenue

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the June 30, 2020 unearned revenue from grant drawdowns made prior to meeting all eligibility requirements was \$79,580. Amounts due back to grantors were \$992.

G. Related Parties

Certain board members provide services either directly or indirectly to CareerSource Capital Region. A description and the amount of the services provided as well as the amount due as of June 30, 2020 is as follows:

	Amount Paid	Amount Due
Economic development assistance	\$ 19,340	\$ -
Direct services	44,771	-
	<u>\$ 64,111</u>	<u>\$ -</u>

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

III. **Other Information:**

A. Risk Management

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

- Personal Property
- Public Officials' Liability

B. Income Taxes

CareerSource Capital Region is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

CareerSource Capital Region files Form 990 information returns in the U.S. Federal jurisdiction. CareerSource Capital Region's information returns for the past three years are subject to examination by tax authorities and may change upon examination.

CareerSource Capital Region has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of CareerSource Capital Region.

C. Contingencies

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

III. Other Information: (Continued)

D. Significant Funding Source

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

E. Subsequent Events

CareerSource Capital Region has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 2, 2020 the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

In preparing these financial statements, the CareerSource Capital Region has evaluated events and transactions for potential recognition or disclosure through December 2, 2020, the date the financial statements were available to be issued. In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of CareerSource Capital Region. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel and meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

F. Matching Requirements

Certain grants and contracts require CareerSource Capital Region to provide specified amounts of matching revenue. For each contract, where applicable, CareerSource Capital Region has met all matching requirements.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**GOVERNMENTAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

General Fund				Variance with Final Budget
	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Grants and other contracts	\$ 6,051,933	\$ 6,107,141	\$ 5,053,375	\$ (1,053,766)
Other	39,000	39,000	72,428	33,428
Total revenues	6,090,933	6,146,141	5,125,803	\$ (1,020,338)
Expenditures				
Personnel and benefits	1,290,000	1,290,000	1,161,043	128,957
Accounting and auditing	18,500	18,500	18,500	-
Advertising and marketing	25,000	25,000	17,693	7,307
Communication, systems and utilities	287,500	420,000	391,923	28,077
Furniture and equipment	15,000	15,000	7,986	7,014
Printing and supplies	50,000	50,000	22,209	27,791
Rent	694,993	694,993	650,431	44,562
Direct program	3,471,352	3,502,500	2,620,673	881,827
Insurance	25,000	25,000	27,625	(2,625)
Professional fees	20,000	44,000	7,614	36,386
Repairs and maintenance	46,000	25,000	21,889	3,111
Other	112,500	56,000	142,315	(86,315)
Capital outlay	-	-	39,895	(39,895)
Total expenditures	6,055,845	6,165,993	5,129,796	1,036,197
Net change in fund balance	-	(19,852)	(3,993)	15,859
Fund balance, beginning of year	267,597	267,597	267,597	-
Fund balance, end of year	\$ 267,597	\$ 247,745	\$ 263,604	\$ 15,859

See notes to the required supplementary information.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

A. Budgetary Information:

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

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

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

B. Excess of Appropriations Over Expenditures

Appropriations were greater than expenditures in the General Fund.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Award Number	Expenditures	Pass-Through to Subrecipients
Federal Awards				
U.S. Department of Justice Office on Violence Against Women				
Passed through Refuge House, Inc.				
Transitional Housing Assistance for Victims of Sexual Assault, Domestic Violence, Dating Violence and Stalking	16.736	2017-WH-AX-0029	\$ 2,865	\$ 1,340
U.S. Department of Labor				
Passed through State of Florida, Department of Economic Opportunity				
Employment Service Cluster:				
Wagner-Peyser Funded Activities	17.207	WPA19	32,139	18,455
Wagner-Peyser Funded Activities	17.207	WPA20	254,226	145,986
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP19	23,035	-
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP20	43,944	-
Local Veterans Employment Representative	17.804	LVR19	10,324	-
Local Veterans Employment Representative	17.804	LVR20	16,991	-
Total Employment Service Cluster			<u>380,659</u>	<u>164,441</u>
Workforce Innovation and Opportunities Act (WIOA) Cluster:				
WIOA Adult	17.258	WIA20	904,376	619,126
SFY 19-20 WIOA Rural Initiatives	17.258	WIS18	12,375	-
WIOA - State Level Supplemental	17.258	WIS18	27,880	-
WIOA - Emerging Initiatives	17.258	WIS18	5,069	-
WIOA - State Level Sector Strategies	17.258	WIS19	44,179	-
WIOA - State Level Supplemental	17.258	WIS19	29,310	-
WIOA - COVID-19 PPE	17.258	WIS19	4,000	-
WIOA - Apprenticeship Expansion	17.258	WIS19	17,354	-
WIOA - Emerging Initiatives - Foundational Skills	17.258	WIS20	6,458	-
WIOA Youth Activities	17.259	WIY19	331,269	187,029
WIOA Youth Activities	17.259	WIY20	1,276,741	720,829
SFY 19-20 WIOA Rural Initiatives	17.259	WIS18	12,375	-
WIOA - State Level Supplemental	17.259	WIS18	27,880	-
WIOA - Emerging Initiatives	17.259	WIS18	5,069	-
WIOA - State Level Sector Strategies	17.259	WIS19	44,179	-
WIOA - State Level Supplemental	17.259	WIS19	29,310	-
WIOA - COVID-19 PPE	17.259	WIS19	4,000	-
WIOA - COVID-19 PPE	17.259	WIS19	17,354	-
WIOA - Apprenticeship Expansion	17.259	WIS20	6,458	-
WIOA Dislocated Worker Formula Grants	17.278	WID20	368,432	13,995
SFY 19-20 WIOA Rural Initiatives	17.278	WIS18	12,750	-
WIOA - State Level Supplemental	17.278	WIS18	28,725	-
WIOA - Emerging Initiatives	17.278	WIS18	5,222	-
WIOA - State Level Sector Strategies	17.278	WIS19	49,701	-
WIOA - State Level Supplemental	17.278	WIS19	32,973	-
WIOA - COVID-19 PPE	17.278	WIS19	4,500	-
WIOA - Apprenticeship Expansion	17.278	WIS19	19,523	-
WIOA - Emerging Initiatives - Foundational Skills	17.278	WIS20	7,917	-
WIOA - State Level Hurricane Michael Recovery	17.278	WRS18	75,000	-
WIOA - State Level Emerging Initiative FL/GA Workforce Alliance	17.278	WRS18	63,094	-
Total WIOA Cluster			<u>3,473,473</u>	<u>1,540,979</u>
National Emergency - Hurricane Michael	17.277	WNM19	110,298	-
National Emergency - Hurricane Michael	17.277	WNH19	34,593	-
			<u>144,891</u>	<u>-</u>
Total U.S. Department of Labor			<u>4,001,888</u>	<u>1,705,420</u>

(Continued)

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Award Number	Expenditures	Pass-Through to Subrecipients
Federal Awards				
U.S. Department of Agriculture				
Passed through State of Florida, Department of Economic Opportunity				
State Administration Matching Grants for the Supplemental Nutrition and Assistance Program	10.561	FSH19	\$ 33,118	\$ 16,805
State Administration Matching Grants for the Supplemental Nutrition and Assistance Program	10.561	FSH20	66,909	33,950
			<u>100,027</u>	<u>50,755</u>
U.S. Department of Health and Human Services				
Passed through State of Florida, Department of Economic Opportunity				
Temporary Assistance for Needy Families	93.558	WTS19	352,481	182,187
Temporary Assistance for Needy Families	93.558	WTS20	598,981	309,595
			<u>951,462</u>	<u>491,782</u>
			<u>\$ 5,053,377</u>	<u>\$ 2,249,297</u>

See notes to Schedule of Expenditures of Federal Awards.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

(1) Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region under programs of the federal government for the year ended June 30, 2020 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region it is not intended to and does not present the financial position, changes in net assets, or cash flows of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region.

(2) Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) De Minimis Indirect Cost Rate Election:

Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

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

To the Board of Directors
Big Bend Jobs and Education Council, Inc.
d/b/a CareerSource Capital Region

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region ("CareerSource Capital Region") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise CareerSource Capital Region's basic financial statements, and have issued our report thereon dated December 2, 2020.

Internal Control Over Financial Reporting

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

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

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

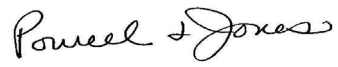
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal

control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Powell and Jones
Certified Public Accountants

December 2, 2020

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

To the Board of Directors,
Big Bend Jobs and Education Council, Inc.
d/b/a CareerSource Capital Region

Report on Compliance for Each Major Federal Program

We have audited Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region (CareerSource Capital Region) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of CareerSource Capital Region's major federal programs for the year ended June 30, 2020. CareerSource Capital Region's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, CareerSource Capital Region complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

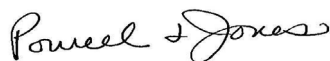
Management of CareerSource Capital Region is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CareerSource Capital Region's internal control over compliance with the types of requirements that could have a direct and material effect on

each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CareerSource Capital Region's internal control over compliance.

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

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

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



Powell and Jones
Certified Public Accountants

December 2, 2020

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
 CAREERSOURCE CAPITAL REGION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2020**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on the financial statements:

Unmodified

Internal control over financial reporting:

•Material weakness(es) identified?	_____ Yes	_____ X No
•Significant deficiency(ies) identified?	_____ Yes	_____ X None
Noncompliance material to financial statements noted?	_____ Yes	_____ X No

Federal Awards

Internal control over financial reporting:

•Material weakness(es) identified?	_____ Yes	_____ X No
•Significant deficiency(ies) identified?	_____ Yes	_____ X None

Types of auditor's report issued on compliance for major Federal programs:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X No

Identification of major federal awards programs:

<u>Federal Program</u>	<u>Federal CFDA Number</u>
U.S. DEPARTMENT OF LABOR	
Workforce Innovation and Opportunity Act -WIOA	
Adult	17.258
Youth	17.259
Dislocated Worker	17.278

(Continued)

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A
CAREERSOURCE CAPITAL REGION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2020
JUNE 30, 2020**

(Continued)

I. Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and type B
Federal programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes

 No

II. Financial Statement Findings:

None.

III. Federal Award Findings and Questioned Costs:

None.

IV. State of Florida, Department of Economic Opportunity Reporting Requirements:

Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region performed timely reconciliations between the general ledger accounting system and the DEO Subrecipient Enterprise Resource Application (SERA).

V. Federal Award Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended June 30, 2019.