

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

FINANCIAL STATEMENTS

JUNE 30, 2022

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
TABLE OF CONTENTS
JUNE 30, 2022**

	Page(s)
Independent Auditors’ Report	1 – 3
Management’s Discussion and Analysis	4 – 6
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Fund	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Statement of Revenues, Expenditures, and Changes	10
in Fund Balance – Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	12
Notes to Financial Statements	13 – 21
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
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 <i>Government Accounting Standards</i>	24 – 25
Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance	26 – 28
Schedule of Findings and Questioned Costs	29 – 30



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

Opinions

We have audited 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, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Capital Region, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Capital Region and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1(r) to the financial statements, during the year ending June 30, 2022, the entity adopted the provisions of GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Capital Region's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Capital Region's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Capital Region's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

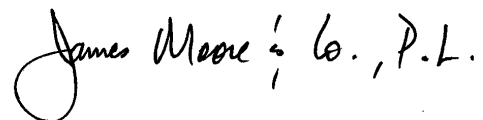
Supplementary Information

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

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 December 2, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Capital Region's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2022

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022.

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).

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 general fund.

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

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

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022
(Continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards. This schedule lists all Federal grants awarded to CareerSource Capital Region and the related expenditures for the fiscal year ended June 30, 2022.

Government-wide Financial Analysis *Condensed financial information* - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

Condensed Statements of Net Position

	2022	2021
Current assets	\$ 679,531	\$ 790,699
Capital assets, net	87,628	104,160
Right-to-use leased assets, net	1,486,434	-
Total assets	2,253,593	894,859
Current liabilities	836,929	536,852
Noncurrent liabilities	1,127,997	62,469
Total liabilities	1,964,926	599,321
Unrestricted	237,757	191,378
Net investment in capital assets	43,897	104,160
Net position	\$ 281,654	\$ 295,538

Condensed Statements of Activities

	2022	2021
Program Revenues		
Operating grants and contributions	\$ 4,665,856	\$ 5,005,159
Capital grants and contributions	-	27,310
Total program revenues	4,665,856	5,032,469
General Revenues		
Other	86,612	70,335
Total revenues	4,752,468	5,102,804
Expenses		
Training, retraining, and adjustment	4,766,352	5,057,387
Change in net position	(13,884)	45,417
Net position, beginning of year, as restated	295,538	250,121
Net position, end of year	\$ 281,654	\$ 295,538

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Financial Highlights

The liabilities of CareerSource Capital Region exceeded its assets at June 30, 2022, by \$281,654.

Governmental activities. Governmental activities decreased CareerSource Capital Region's net position by \$13,884. Key elements of this decrease are as follows:

The net loss for the year ending June 30, 2022, is due to the use of unrestricted funds accumulated in prior years, with no associated revenue to offset them in the current year. These funds were received and recognized in prior years.

Capital Assets

CareerSource Capital Region's investment in capital assets (including right-to-use leased assets) for its governmental activities as of June 30, 2022, amounts to \$1,574,062 (net of accumulated depreciation). This investment in capital assets includes machinery and equipment, leasehold improvements and right-to-use leased assets.

Budgetary Highlights

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

Economic Factors

The Organization currently is not aware of any conditions that are expected to have a significant effect on the Organization's financial position or results of operations.

Debt Administration

The Organization's long-term debt is its accrual for compensated absences and lease liability. Please refer to the notes accompanying financial statements entitled *Long Term Debt* and *Leases* for more detailed information about long-term debt activity.

Request for Information

This report is designed to provide a general overview of Big Bend Jobs and Education Council, Inc.'s finances for all those with an interest in Big Bend Jobs and Education Council, Inc.'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
2035 E. Paul Dirac Dr.
Morgan Building, Suite 236
Tallahassee, Florida 32310

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 411,066
Grant, contract and other receivables	265,725
Prepays	2,740
Capital assets, net of accumulated depreciation	87,628
Right-to-use leased assets, net of accumulated amortization	1,486,434
Total assets	<u>\$ 2,253,593</u>
 LIABILITIES	
Accounts payable and accrued expenses	\$ 339,260
Interest payable	7,013
Unearned revenue	22,501
Noncurrent liabilities:	
Compensated absences, current portion	10,950
Lease liability, current portion	464,218
Compensated absences, noncurrent portion	62,050
Lease liability, noncurrent portion	1,065,947
Total liabilities	<u>\$ 1,971,939</u>
 NET POSITION	
Unrestricted	\$ 237,757
Net investment in capital assets	43,897
Total net position	<u>\$ 281,654</u>

The accompanying notes to financial statements
are an integral part of this statement.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Functions/Programs	EXPENSES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
			GOVERNMENTAL ACTIVITIES
Governmental activities:			
Training, retraining and readjustment	\$ 4,767,049	\$ 4,665,856	\$ -
Total governmental activities	\$ 4,767,049	\$ 4,665,856	\$ (101,193)
		General revenues:	
		Other	87,309
		Change in net position	(13,884)
		Net position, beginning of year, as restated	295,538
		Net position, end of year	\$ 281,654

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2022

	General Fund
ASSETS	
Cash and cash equivalents	\$ 411,066
Grant, contract and other receivables	265,725
Prepays	2,740
Total assets	\$ 679,531
LIABILITIES	
Accounts payable and accrued expenses	\$ 339,260
Unearned revenue	22,501
Total liabilities	361,761
FUND BALANCE	
Unassigned	315,030
Nonspendable	2,740
Total fund balance	317,770
Total liabilities and fund balance	\$ 679,531

The accompanying notes to financial statements
are an integral part of this statement.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances - total governmental fund		\$ 317,770
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Total governmental capital assets	300,540	
Less: accumulated depreciation	<u>(212,912)</u>	87,628
<p>Right-to-use leased assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Lease asset	1,979,723	
Accumulated amortization	(493,289)	
Lease liability	<u>(1,530,165)</u>	(43,731)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Interest payable	(7,013)	
Compensated absences	<u>(73,000)</u>	(80,013)
Net position of governmental activities		<u><u>\$ 281,654</u></u>

The accompanying notes to financial statements are an integral part of this statement.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund
Revenues	
Grants and contracts	\$ 4,665,856
Other	87,309
Total revenues	4,753,165
Expenditures	
Personnel and benefits	1,101,656
Accounting and auditing	19,500
Advertising and marketing	15,385
Communications, systems and utilities	349,172
Furniture and equipment	6,231
Printing and supplies	39,100
Direct program	2,410,493
Insurance	25,145
Professional fees	12,672
Repairs and maintenance	13,064
Other	166,307
Capital outlay	1,979,723
Debt service:	
Principal	446,496
Interest	91,983
Total expenditures	6,676,927
Excess (deficiency) of revenues over expenditures	(1,923,762)
Other financing sources	
Lease (as leasee)	1,976,661
Net change in fund balance	52,899
Fund balance, beginning of year, as restated	264,871
Fund balance, end of year	\$ 317,770

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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

Net change in fund balances-total governmental funds		\$	52,899
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.			
Changes in:			
Compensated absences			493
Interest payable	(7,013)		(6,520)
<hr style="width: 100%;"/>			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount of capital outlay and depreciation and amortization expense in the current period.			
Capital outlay			1,979,723
Depreciation	(16,532)		
Amortization	(493,289)		1,469,902
<hr style="width: 100%;"/>			
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.			
Long-term lease liability - repayment of principle			446,496
Proceeds from issuance of leases	(1,976,661)		(1,530,165)
<hr style="width: 100%;"/>			
Change in net position of governmental activities		\$	<u>(13,884)</u>

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(1) **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 governing board of CareerSource Capital Region is the Board of Directors. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CareerSource Capital Region (the primary government unit) and its component units. 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.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about CareerSource Capital Region’s 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.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

(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.

(f) **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.

(g) **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.

(h) **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.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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 three to ten years.

(i) **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.

(j) **Leases**—CareerSource Capital Region leases building facilities and determines if an arrangement is a lease at inception. CareerSource Capital Region recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the CareerSource Capital Region's right to use an underlying asset for the lease term and lease liabilities represent CareerSource Capital Region's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirement will not be considered short term: the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by CareerSource Capital Region, or CareerSource Capital Region is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be CareerSource Capital Region's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. CareerSource Capital Region's IBR was 5.50% at June 30, 2021, and was the discount rate utilized for applicable leases beginning July 1, 2021 and applicable lease conversions.

The CareerSource Capital Region's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

(l) **Compensated Absences**—Eligible employees earn paid time off at varying rates based upon length of employment. Paid time off is accrued as earned by employees and recorded as an expense in the period earned. The total accumulated paid time off is paid out to eligible employees at termination.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

(m) **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.

(n) **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.

(o) **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.

(p) **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 ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

Additionally, CareerSource Capital Region has nonspendable fund balance. This includes amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

(q) **Revenues and expenditures/expenses**—Generally, revenue is received from the State of Florida, Department of Economic Opportunity and is earned on a cost reimbursement basis.

(r) **Budgets**—The general expenditure authority of CareerSource Capital Region, as provided by Sections 445.004 and 445.007 of the Florida Statutes, does not require a legally adopted budget placed into public law. Accordingly, the budgetary comparison schedules for governmental funds have not been presented as supplementary information required by the Governmental Accounting Standards Board.

(s) **New accounting pronouncements**—GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset (RTU), and a lessor is required to recognize a lease receivable and a deferred inflow of resources. CareerSource Capital Region has implemented this Statement and its various provisions in 2022.

(2) **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 \$411,066 and the bank balance was \$414,676. Of the bank balance, \$250,000 was insured up to Federal Deposit Insurance Corporation (“FDIC”) limits.

(3) **Retirement Plan:**

CareerSource Capital Region sponsors a defined contribution 401(k) profit sharing plan which covers substantially all employees. The amount of retirement expense for the year ended June 30, 2022, was \$71,987.

(4) **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, 2022, unearned revenue from grant drawdowns made prior to meeting all requirements was \$22,501.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(5) **Capital Assets:**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance 07/01/21	Increases	Decreases	Balance 06/30/22
Furniture, fixtures and equipment	\$ 274,107	\$ -	\$ -	\$ 274,107
Leasehold improvements	26,433			26,433
Total capital assets	300,540	-	-	300,540
Less accumulated depreciation	(196,380)	(16,532)	-	(212,912)
Capital assets, net	<u>\$ 104,160</u>	<u>\$ (16,532)</u>	<u>\$ -</u>	<u>\$ 87,628</u>

Depreciation expense was \$16,532 the year ended June 30, 2022.

(6) **Leases:**

CareerSource Capital Region has leases in effect for buildings with terms ending from 2023 through 2027. The buildings are considered a right-to-use assets of CareerSource Capital Region. For disclosure purposes, this lease excludes ancillary costs included in the lease, such as utilities.

As of June 30, 2022, total lease related assets and the related accumulated amortization, disclosed separately from other capital assets as follows:

	Balance 07/01/21	Increases	Decreases	Balance 06/30/22
Right-to-use leased assets	\$ -	\$ 1,979,723	\$ -	\$ 1,979,723
Less accumulated amortization	-	(493,289)	-	(493,289)
Right-to-use leased assets, net	<u>\$ -</u>	<u>\$ 1,486,434</u>	<u>\$ -</u>	<u>\$ 1,486,434</u>

The amortization expense for right-to-use leased assets was \$493,289 for the year ended June 30, 2022.

The principal and interest requirements to maturity for the lease liability as of June 30, 2022 is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 464,218	\$ 72,115	\$ 536,333
2024	356,181	49,276	405,457
2025	325,136	30,945	356,081
2026	330,070	12,712	342,782
2027	54,560	375	54,935
Total future minimum lease payments	<u>\$ 1,530,165</u>	<u>\$ 165,423</u>	<u>\$ 1,695,588</u>

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>07/01/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/22</u>	<u>Due in</u> <u>one year</u>
Governmental activities					
Lease liability	\$ -	\$ 1,979,723	\$ (446,496)	\$ 1,530,165	\$ 464,218
Compensated absences	73,493	63,385	(63,829)	73,000	10,950
Total Long-term liabilities	<u>\$ 73,493</u>	<u>\$ 2,043,108</u>	<u>\$ (382,667)</u>	<u>\$ 1,603,165</u>	<u>\$ 475,168</u>

(8) **Related Parties:**

Certain board members are employees of entities that provide services either directly or indirectly to CareerSource Capital Region. The board members that are affiliated with these entities do not directly benefit as they do not hold higher positions and are not directly involved in the daily operations. The total amount of services provided for the year ended June 30, 2022, is as follows:

Economic Development Assistance	<u>\$ 42,409</u>
---------------------------------	------------------

(9) **Risk Management:**

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

- Personal Property
- Public Officials' Liability

(10) **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, 2022

(11) **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 is exempt from requirements to file income tax returns in the U.S. Federal jurisdiction.

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. CareerSource Capital Region's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(12) **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.

(13) **Subsequent Events:**

CareerSource Capital Region has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 2, 2022, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(14) **Restatement of Beginning Equity:**

Subsequent to issuance of the June 30, 2021, financial statements, management became aware of the following errors: overstatement of accounts receivable due to adjustments made in the accounting system for accounts receivable from prior years. The effect of this adjustments on beginning fund balance and net position were as follows:

	Fund Balance	Net Position
	General Fund	Governmental Activities
Net position / fund balance – 6/30/2021, originally reported	\$ 307,020	\$ 337,687
Misstatement of accounts receivable	(42,149)	(42,149)
Net position / fund balance – 6/30/2022, as restated	\$ 264,871	\$ 295,538

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(15) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on CareerSource Capital Region's financial statements:

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

GASB issued Statement No. 101, Compensated Absences in June 2022. It aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. Generally, a liability for leave that has not been used would be recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.

BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Entity/ Federal Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identification Number	Federal Expenditures	Amount to Subrecipients
United States Department of Labor:				
Passed through the State of Florida, Department of Economic Opportunity:				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA21	\$ 17,550	\$ 9,882
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA22	214,364	35,834
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB22	26,021	25,095
Disable Veterans' Outreach Program (DVOP)	17.801	DVP21	28,009	-
Disable Veterans' Outreach Program (DVOP)	17.801	DVP22	29,689	1,017
Disable Veterans' Outreach Program (DVOP)	17.801	LVR21	3,698	-
Disable Veterans' Outreach Program (DVOP)	17.801	LVR22	11,915	605
Total Employment Service Cluster			331,246	72,433
COVID-19 National Emergency Grants	17.277	WNC20	46,097	-
Total National Emergency Grants			46,097	-
Workforce Innovation and Opportunity Act Cluster:				
WIOA - Adult	17.258	WIA21	259,848	259,848
WIOA - Adult	17.258	WIA22	307,800	207,256
WIOA - Adult	17.258	WIS20	27,579	355
WIOA - Adult	17.258	WIS21	17,168	-
WIOA - Youth	17.259	WIY21	408,362	253,415
WIOA - Youth	17.259	WIY22	1,283,378	408,457
WIOA - Youth	17.259	WIS20	27,579	-
WIOA - Youth	17.259	WIS21	17,168	-
WIOA Dislocated Worker Formula Grants	17.278	WID21	566,018	57,453
WIOA Dislocated Worker Formula Grants	17.278	WID22	1,893	-
WIOA Dislocated Worker Formula Grants	17.278	WRS21	125,000	-
WIOA Dislocated Worker Formula Grants	17.278	WIS20	33,807	-
WIOA Dislocated Worker Formula Grants	17.278	WIS21	19,314	8,053
WIOA Dislocated Worker Formula Grants	17.278	WIR22	44,404	641
Total Workforce Innovation and Opportunity Act Cluster			3,139,318	1,195,478
U.S. Department of Agriculture				
Passed through the State of Florida, Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program Cluster:				
Supplemental Nutrition Assistance Program	10.561	FSH21	36,134	24,824
Supplemental Nutrition Assistance Program	10.561	FSH22	119,926	62,103
Total Supplemental Nutrition Assistance Program Cluster			156,060	86,927
Passed through the State of Florida, Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	WTS21	371,108	215,486
Temporary Assistance for Needy Families	93.558	WTS22	586,612	299,995
Total Temporary Assistance for Needy Families			957,720	515,481
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,630,441	\$ 1,870,319

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

**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, 2022**

(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 (“CareerSource Capital Region”) under programs of the federal government for the year ended June 30, 2022 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CareerSource Capital Region it is not intended to and does not present the financial position, changes in net assets, or cash flows of 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:**

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 each major fund of Big Bend Jobs and Education Council, Inc. ("CareerSource Capital Region") as of and for the year ended June 30, 2022, 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, 2022.

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) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CareerSource 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.

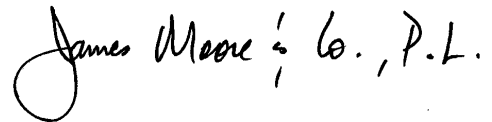
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2022

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

Opinion on Each Major Federal Program

We have audited Big Bend Jobs and Education Council, Inc. (“the Organization”)’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2022. The Organization’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the special audit guidance provided by the State of Florida Department of Economic Opportunity and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

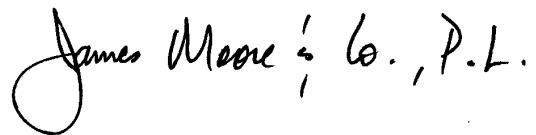
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Tallahassee, Florida
December 2, 2022

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

I. Summary of Auditors' Results:

Financial Statements

A. Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Types of 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

B. Identification of major programs:

Federal Program	Assistance Listing Number
Temporary Assistance for Needy Families	93.558
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.
D/B/A CAREERSOURCE CAPITAL REGION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022
(Continued)**

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 reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application.

V. Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended June 30, 2021